

Algeria	5.50 Dn.	Israel	US 25.00	Norway	5.00 N.K.
Australia	17 S.	Italy	1000 Lire	Peru	0.700 Bof.
Belgium	0.600 Dn.	Japan	450 Yen	Portugal	45 Esc.
Canada	1.10 Cdn.	South Africa	4.00 Rand	Spain	166 Ptas.
Czechoslovakia	20.00 Dn.	Sweden	5.00 S.Kr.	Switzerland	1.10 S.Fr.
Denmark	10.00 Dn.	Switzerland	1.10 S.Fr.	Taiwan	2.000 Dn.
France	1.00 F.	Taiwan	2.000 Dn.	Turkey	1.000 Liras
Germany	2.00 Dn.	Turkey	1.000 Liras	U.S.A.	1.00 Dn.
Greece	1.00 Dn.	U.S.A.	1.00 Dn.	U.S.A.	1.00 Dn.
Hong Kong	1.00 Dn.	U.S.A.	1.00 Dn.	U.S.A.	1.00 Dn.
India	1.00 Dn.	U.S.A.	1.00 Dn.	U.S.A.	1.00 Dn.
Iran	1.00 Dn.	U.S.A.	1.00 Dn.	U.S.A.	1.00 Dn.

THE GLOBAL NEWSPAPER  
 Edited in Paris  
 Printed Simultaneously  
 in Paris, London, Zurich  
 and Hong Kong

# Herald Tribune

Published With The New York Times and The Washington Post  
 PARIS, WEDNESDAY, JUNE 30, 1982

ESTABLISHED 1887

## Kremlin May Build Pipe Units Move Considered Reply to Reagan

By Dusko Doder  
 Washington Post Service  
 MOSCOW — In what appears to be a response to President Reagan's escalating trade war, the Soviet Union is reported by Western businessmen here to have decided to produce its own large compressor stations for five domestic pipelines due to be built this decade.  
 A West European businessman with experience in Soviet pipeline equipment imports said he was advised that the Soviet government would build the large 25-megawatt turbines for such stations at the LNZ plant in Leningrad.  
 This means, he said, that expected Soviet contracts for the construction of 130 compressor stations for five trunk pipelines would not materialize. He estimated that companies in West Germany, France, Italy and Britain would lose more than \$10 billion worth of business if, indeed, the Soviet Union has the capacity to build stations.  
 It was not possible to ascertain whether the Russians are actually developing the turbine, or whether the reported development is an effort to pressure Western European governments to seek a reversal of Mr. Reagan's embargo. It is not even known whether the reported go-it-alone approach represents a basic strategic decision.  
 Mr. Reagan's decision enlarged the ban on sale of U.S. oil and gas equipment to Moscow to cover European subsidiaries of American companies as well as firms producing such equipment under license.  
 The reported Soviet decision to produce new large turbines does not affect the contracts signed by Western European firms participating in the construction of the 5,500-mile (5,600-kilometer) pipeline scheduled to carry Siberian natural gas to Western Europe starting in 1984. The Soviet Union, which is to make roughly \$8 billion annually from natural gas sales to Western Europe, is insisting that the firms meet their obligation.  
 The Soviet Union intends to construct five other trunk pipelines running parallel with the export line. These would link the largest Soviet natural gas field at Urengoi with western sections of European Russia. One of these is destined to carry natural gas to Eastern Europe.  
 According to Western European (Continued on Page 2, Col. 7)



Gaston Thorn, left, president of the European Economic Community Commission, and British Prime Minister Margaret Thatcher, right, offered their help as West German Chancellor Helmut Schmidt climbed the steps of the Egmont Palace in Brussels after posing for photographers Tuesday. Also attending the regularly scheduled EEC summit meeting were Irish Premier Charles J. Haughey, upper left, and Francois X. Ortoli, the commission's finance commissioner.

## EEC Leaders Ask Israel, PLO To Abandon Beirut Positions

By Axel Krause  
 International Herald Tribune  
 BRUSSELS — European Economic Community leaders ended a two-day summit meeting here Tuesday by calling for an immediate and simultaneous withdrawal of Israeli and Palestinian forces from their present positions in and around Beirut, while urging that the present cease-fire in Lebanon "must at all costs be preserved."  
 In their final communiqué, which also dealt with controversial transatlantic trade issues, the Israeli conflict and the expansion of investments in Europe, EEC leaders said that "the establishment of a final peace in Lebanon requires the complete and prompt withdrawal of Israeli forces from that country as well as the departure of all foreign forces except those which may be authorized by a legitimate and broadly representative government of Lebanon."  
 The separation of forces, the EEC leaders urged, "would be controlled during this short transition period by Lebanese forces and, by agreement with the Lebanese government, by [United Nations] observers or forces."  
 While the communiqué did not refer to the establishment of a Palestinian state, it said that Israel "will not obtain the security to which it has a right by using force.... It can find this security by satisfying the legitimate aspirations of the Palestine people."  
 Urges PLO Participation  
 The EEC leaders, who had long and often intense discussions on the subject, repeated their "vigorous condemnation" of the Israeli invasion and agreed that the Palestinians "should have the opportunity to exercise their right to self-determination with all that this implies." The communiqué added that the position of the 10-nation community "remains that the Palestine Liberation Organization should be associated with the negotiations."  
 Commenting on the overall results of the meeting, President François Mitterrand of France said he was satisfied with the communiqué and that it "corresponds to our preoccupations" and what he termed France's hope for "a return to equilibrium" in the area.  
 Mr. Mitterrand dismissed reports that there had been deep differences in the summit participants' approaches to the Lebanon conflict, describing the talks as "long, but not that difficult, basically."  
 At an earlier news conference Tuesday, Britain's foreign minister, Francis Pym, described the summit meeting as "useful and important." On U.S.-EEC trade issues, he said, "the right balance" had been struck in the final communiqué between those EEC members that have advocated a hard line on relations with the Reagan administration and those that have pressed for continued negotiations with Washington.  
 The communiqué's language regarding U.S.-EEC relations, while critical of the administration, was considerably toned down from earlier versions, summit participants said, largely at the urging of Prime Minister Margaret Thatcher of Britain in the interests of what Mr. Pym described as "the strongest possible alliance."  
 "The European Council expressed its concern at these recent developments which could have adverse consequences for their relations with the United States," the EEC statement said. This was a reference to recent administration decisions regarding European involvement in the Soviet natural gas pipeline project, U.S. restrictions on EEC steel imports and Washington's criticism of the community's Common Agricultural Policy.  
 Although references to the pipeline decision were kept vague, EEC leaders warned with regard to the latest U.S. bans on supplying parts for the pipeline that "the maintenance of the open world trade system will be seriously jeopardized by unilateral and retroactive decisions on international trade, attempts to exercise extraterritorial legal powers and measures which prevent the fulfillment of existing trade contracts."  
 Officials at the summit said they were unable to confirm or deny reports that the Reagan administration was hinting that the pipeline ban could be reversed if allied governments raised the price of their export credits to the Soviet Union.  
 The communiqué urged that "a genuine and effective dialogue take place" between U.S. and EEC leaders "responsible for decisions in the areas of possible dispute." Summit participants said that such talks would be organized in several weeks.  
 Mr. Mitterrand said this dia- (Continued on Page 2, Col. 5)

## Israel Asserts PLO Is Stalling in Talks

This story was subject to Israeli military censorship.  
 By Edward Cody  
 Washington Post Service  
 JERUSALEM — A high Israeli official charged Tuesday that the Palestinian guerrilla leadership in Beirut is negotiating in bad faith and stalling for time in hope of avoiding an Israeli assault on West Beirut without surrendering and leaving Lebanon.  
 "This being so, we view with great gravity the situation," added the official, who briefed correspondents.  
 His remarks seemed intended to increase pressure on U.S. and Lebanese negotiators who are dealing with Palestinian Liberation Organization leaders in the encircled Lebanese capital to arrange the departure of PLO fighters and avert the high casualties likely to accompany an Israeli blitz on the city.  
 In a carefully drafted statement on Sunday, Israel declared that all PLO members, without exception, must depart from Lebanon. Backing its demand were over 100 Israeli armored forces poised to attack West Beirut and the U.S.-supplied Israeli Air Force, against which the guerrillas have almost no defense.  
 With this in mind, Defense Minister Ariel Sharon told the Knesset, the Israeli Parliament, on Tuesday evening that the guerrillas must "examine their consciences" over the Israeli demands, adding: "The government has given them a time limit to get out of their trap in Beirut."  
 [Saudi Arabia proposed Tuesday to airlift Palestinian guerrillas from West Beirut in a new bid to avert a military showdown in the Lebanese capital, The Associated Press reported from Beirut, quoting Western diplomatic sources.  
 [The sources, who requested anonymity, said that the government of King Fahd offered to airlift the guerrillas to the countries of their choice as an alternative to the overland safe conduct that Israel offered under Red Cross escort to neighboring Syria.  
 [The rightist Voice of Lebanon radio station said that the Saudi offer was under consideration by the Lebanese government and the Palestine Liberation Organization leadership, but there was no direct comment on the report from either side, the AP reported.]  
 Against this background, the U.S. special envoy, Philip C. Habib, was conveying a series of proposals relayed from the PLO leader, Yasser Arafat, through Lebanese politicians, Mr. Habib and Washington. It was these proposals and what the official called "the atmosphere of the negotiations" that prompted Israel's charges of bad-faith bargaining.  
 "Playing for Time"  
 "We are under the impression that the PLO in talks with the Lebanese government and Ambassador Habib, that these talks are not going well, that the PLO is playing for time, that the PLO is trying to make the world believe they are ready to leave and so on, that they are playing for time," he said. "Therefore, we hope the United States and Lebanon understand that additional pressure will have to be brought to bear on the PLO."  
 The informant, a high-ranking official with access to details of the negotiations, declined to say how the Israeli government could judge the "atmosphere" of the talks, even though its representatives are not participating. In principle, Israel is informed of PLO positions only through messages from Mr. Habib relayed through Washington by the Israeli Embassy there and the U.S. Embassy in Tel Aviv.  
 Under questioning, he indicated that Israeli officials are in touch with some Lebanese personalities. Although these were not specified, Israel and Christian Phalangist militia leaders have had close relations in the past. Mr. Sharon met last week over Beirut with the Phalangist military leader and Lebanese presidential candidate, Bashir Gemayel.  
 As an example of bad-faith negotiating, the official cited a PLO proposal that one of its units remain armed and attached to the Lebanese army. This idea — a "nonstarter" in his words — was rejected by the Lebanese government even before Israel passed on it, the official said.  
 Other suggestions reportedly vetoed by Israel include a PLO position (Continued on Page 2, Col. 6)



Traffic out of West Beirut was snarled at a checkpoint set up by Lebanese Phalangists.

## U.S. May End Grain Sales to Soviet Union

By Robert C. Toth  
 Los Angeles Times Service  
 WASHINGTON — The Reagan administration is considering a plan for not renewing the United States' 6-year-old grain agreement with the Soviet Union, which guarantees Moscow the right to buy at least 6 million tons of U.S. wheat and corn a year.  
 The State Department has recommended that the controversial agreement be allowed to lapse when it expires Sept. 30, even though the Department of Agriculture, Midwestern congressmen and some farmer groups want it extended and even expanded.  
 A top-level Cabinet council meeting scheduled to make the decision Monday was canceled, officials said, presumably because of the abrupt resignation of Secretary of State Alexander M. Haig Jr. last Friday. No new date has been set for the meeting.  
 The decision promises to be controversial, particularly coming in advance of midterm congressional elections in November and at a time when farm income is falling for the third year in a row.  
 One U.S. official speculated that a formal decision on the future of the grain agreement may be delayed indefinitely until the agreement lapses automatically Sept. 30, in order to minimize publicity. But a White House official insisted Monday that "it will not go by default."  
 Among those who want the grain agreement extended are Sens. Robert J. Dole, Republican of Kansas, and Roger W. Jepsen, Republican of Iowa. They have said that an extension would be "a vital and necessary step toward restoring normal grain trade relations between the two countries and in strengthening U.S. farm prices."  
 Grain sales to the Soviet Union have also become a sensitive international issue. The United States is accused of demanding "unequal sacrifices" of its allies by opposing such things as the Soviet natural gas pipeline deal and sales of sophisticated industrial equipment to Moscow, which largely benefits European states and Japan, while (Continued on Page 2, Col. 8)



The chief U.S. negotiator, Edward L. Rowley, left, greeted Soviet Ambassador Viktor P. Karpov in Geneva on Tuesday at the opening of the Strategic Arms Reduction Talks, known as START.

## START Gets Under Way in Geneva Reagan Sends Letter Urging Reduction in Weapons

By Michael Getler  
 Washington Post Service  
 GENEVA — The United States and the Soviet Union opened talks here Tuesday on reducing their long-range nuclear missile and bomber forces, negotiations that President Reagan called "one of the most important tasks of our age."  
 The president's assessment was made in a letter to Edward L. Rowley, the chief U.S. delegate to the Strategic Arms Reduction Talks, or START, Mr. Rowley, in turn, read portions of the letter to his Soviet counterpart, Ambassador Viktor P. Karpov, during their first hour-long meeting Tuesday at Villa Rosa, the Soviet mission in the hills overlooking Lake Geneva.  
 Mr. Reagan said that despite more than a decade of previous arms talks, "nuclear weapons continue to accumulate, and the strategic relationship between the Soviet Union and the United States has steadily become less stable."  
 The president attributed this to a "massive buildup" of Soviet mis-  
 sile forces over the past 15 years. But he said that "an historic opportunity now exists" for both countries to break this process and thus "greatly reduce the nuclear anxiety that has become such a conspicuous feature of public concern throughout the world."  
 Mr. Reagan said the two superpowers "are trustees for humanity in the great task of ending the menace of nuclear armaments" and said he was convinced this could be accomplished if the two nations agree that "the only legitimate function of nuclear arms is to deter aggression."  
 Although Mr. Rowley, at a brief press conference after the meeting, declined to describe Mr. Karpov's reaction to the letter, the Soviet ambassador also made a generally positive statement about the ultimate need for a new arms agreement when he arrived in Geneva on Sunday.  
 Nevertheless, the two sides enter the negotiations very far apart on how to reduce these armaments and how to achieve what the U.S. side calls "equality" in atomic striking power and the Russians call "equal security."  
 For example, Mr. Karpov said Moscow favors substantial reductions in strategic arms but also wants "at the same time" to set effective limits on the qualitative improvement of such weapons. This means the Soviet Union is certain to demand a halt or severe restrictions on the deployment on the MX, Trident-2 and Cruise missiles and new bombers.  
 For this round of talks the United States has proposed a one-third reduction in the number of nuclear missile warheads by both superpowers — from about 7,500 to 5,000 warheads apiece.  
 In a separate round of U.S.-Soviet talks Tuesday, negotiators met for more than three hours in the seven-month-old discussions on intermediate-range nuclear forces in Europe. No details were disclosed, except that the negotiators would meet again Thursday.

## In a Shattered 'Capital,' Palestinians Remain

By Jonathan C. Randal  
 Washington Post Service  
 BEIRUT — The only noise came from the chickens pecking through the dirt and from a faraway, high-flying aircraft.  
 The chickens once would have been only a minor windmill passage in the cacophony of bustling, shouting crowds that inhabited Chatila and its sister cinder-block shantytown, Sabra.  
 Chatila and Sabra are the closest thing to a capital that the landless Palestinians have. In 1948, when the Palestinians arrived, rich Lebanese were only too happy to rent them what were sandy wastelands far outside Beirut.  
 Huddled in Lobbies  
 The aircraft was Israeli and on a reconnaissance mission. But other Israeli planes earlier had bombed these camps, and Israeli artillery and gunboats, normally ever-so-accurate, had shelled a nearby hospital and a mental hospital.  
 Most of the residents have fled, although some return for a few hours a day from their supposedly safer havens farther north in West Beirut, where they huddle in the marble lobbies of once-elegant apartment houses.  
 The fighters remain. They are mostly young men, even boys, some still innocent of a razor.  
 There are others like Mohammed Ali Hussein, at 76 a grizzled old man but still of erect military bearing, a Kalashnikov assault rifle slung over his shoulder.  
 But in among the ruined, twisted store fronts, the shattered glass, the punctured walls, the collapsed roofs and the general rubble there also remain civilians.  
 They do not see themselves as heroes or heroines, only as poor people with nowhere else to go.  
 They are no longer in any real way representative of the 4 million Palestinians spread out in diaspora across the Arab world and many Western countries.  
 Most Palestinians have prospered, studied hard and worked harder, often leaving these camps, dusty in summer, muddy in winter, to become computer specialists, engineers and bankers.  
 Dim Memory  
 But without the camps, without their sustained effort to keep alive the sullied-cherished if increasingly dim memory of the orange grove in Jaffa, now long since paved over, Yasser Arafat and his Palestine Liberation Organization would be as nothing.  
 So some poor stay in cinder-block houses in alleys like rabbit warrens. Some accept their fate with a resignation as old as Islam, which in Arabic means submission.  
 "A person cannot leave her home," explained Amni Abdel Rahman. She is the wife of a hardware store owner who had just reopened for business because of the cease-fire, but only just. The corrugated iron curtain that serves as the storefront was only half raised. Mr. Rahman's best-selling item: locks.  
 Across the street is a deserted gas station, next door to a shop demolished by a shell.  
 Najla Moudkhal, wearing a dirty kerchief and holding the hand her 3-year-old son, Hassan, rails against the Israelis.  
 Why stay here when Lebanon and Palestinian charities are caring for tens of thousands of other Palestinians who fled from these camps? "Those people who left for Manara, for Manara," she says of two of Beirut's once most elegant neighborhoods, "they lost some children in the shelling or because of car bombs. It is all the same everywhere. There is no safety anywhere."  
 Up a winding alley, a 50-year-old construction worker named Samieh Mathan, originally from Jaffa, shuffles barefoot through his add-on house, built room by room, and shows visitors a shell hole in the corrugated roof.  
 The shell had struck while his nine children were sleeping. Why did he stay? "No money," he answered.

## Israel Is Criticized for Censorship Reporters and Troops at the Front Are Both Upset

This dispatch was subject to Israeli military censorship.  
 By Norman Kempster  
 Los Angeles Times Service  
 JERUSALEM — After complaints over censorship, Israel has today decided television networks will not be the case for programs originating in Israel. On Monday he refused to handle additional Beirut dispatches, according to Zev Chafetz, chief of the government press office.  
 The controversy began last week when the censor refused to pass an ABC-TV interview with Yasser Arafat, the Palestine Liberation Organization chairman.  
 ABC protested that the interview did not disclose anything about Israeli military operations, which had been the stated reason for Israeli censorship. When the censor refused to lift the ban, ABC transmitted the interview anyway.  
 Mr. Chafetz explained that Israel considered the interview "psychological warfare" originating in Beirut. He said the interview could have been sent if it had originated in Israel.  
 Israeli censorship has become increasingly controversial, even with the Israeli battlefield correspondents.  
 Writing in the Jerusalem Post, Mr. Goodman asked: "Have we military correspondents been able to report the real story from the front? Or is the human dimension? No, and for good reason. Censorship has been more strict and the army spokesmen less credible than ever before."  
 He added: "Things we had seen with our own eyes were subtly distorted. Thousands of Israeli troops who bear eyewitness to events no longer believe the army spokesmen. Soldiers have taken to listening to Radio Lebanon in English and Arabic to get what they believe is a credible picture of the war."  
 Mr. Goodman said that Defense Minister Ariel Sharon complained in a television interview last Friday that Israeli newspapers were not giving proper support to the army.



## Salvadoran Audit Finds Possible Corruption in Land Reform Program

By Raymond Bonner  
New York Times Service

SAN SALVADOR — The Salvadoran agency administering the land redistribution program is so poorly run as to raise questions of propriety and corruption, according to a Salvadoran government audit. The audit also concluded that it was not yet possible to determine how the agency has spent funds provided by the United States.

The audit said that the accounting and financial departments of the agency, the Institute for Agrarian Transformation, "were incompetent to implement accounting systems and technical controls." It noted that, "as a result of the lack of basic criteria, the audit of the funds initially given by the Agency for International Development has not been finished."

The audit was conducted by the Court of Accounts, an independent agency. The audit of the Institute for Agrarian Transformation (ISTA) covered the 17-month period after the government's introduction of the land program in March, 1980.

The audit of the AID funds has still not been completed, according to a former member of the Court of Accounts.

A U.S.-educated economist who has studied the court's audit said, "Given the quantity of money AID provides, any future allocation should be stopped until completion of the audit."

AID has given about \$52 million in grants and loans for El Salvador's land redistribution effort, according to a U.S. Embassy spokeswoman.

AID officials in El Salvador declined to be interviewed, but the embassy spokeswoman said that there were "all kinds of safeguards and accountability." She added that she had been told by an AID officer that the "controls are about as strict as we can possibly impose."

The auditors found in a category that ISTA labeled as social costs "doubtful investments, exaggerated expenses, others improper, laughable, and others not legally admissible from an accounting point of view."

About a third of the agency's social costs, or some \$200,000, went for "security," according to the audit.

Leaders of farm cooperatives and ISTA administrators have charged that many cooperatives are forced to pay tribute to local military commanders. The money, they have said, is used to supplement soldiers' salaries and for vehicle maintenance, and clearly all has been paid by cooperatives in areas where there is no serious guerrilla threat.

The auditors also found that some of ISTA's investments and expenditures benefited private farms, not peasant cooperatives.

A former deputy director of ISTA, Leonel Gómez, said in a telephone interview from Washington, where he now lives, that in March, 1980, the "first thing we told AID, the first thing, was that we wanted to computerize and centralize the accounting system."

"We told them," he added, "we would not be able to account for the millions of dollars" that they were giving for the agrarian program. He characterized the accounting system as "a mirage."

In January, 1981, ISTA's president, José Rodolfo Viera, was assassinated in San Salvador, along with two American advisers to the land redistribution program, Michael Hammer and David Pearlman.

Mr. Gómez, who was Mr. Viera's deputy, repeated in the recent interview his belief that one reason that Mr. Viera had been killed was that he had been intending to expose mismanagement and corruption within ISTA.

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**CAPTURED ISRAELI** — With Palestine Liberation Organization guards flanking him, Aharon Achiaz, an Israeli pilot who was shot down over Lebanon on June 6, waits in his cell in Beirut. The PLO said the prison where the pilot is being held was hit twice by Israeli raids.

## Egyptian Aide Says Lebanon Crisis Will Radicalize Palestinian Cause

By Eric Pace  
New York Times Service

CAIRO — The Palestinian movement will become more radical as a result of the Lebanon crisis, according to a key adviser to President Hosni Mubarak.

The adviser, Osama Baz, also said the extent of this radicalization would depend largely on Washington's attitude.

He criticized Secretary of State Alexander M. Haig Jr., saying U.S. foreign policy had been baphazard and disconnected, and he predicted that the military operations of Palestinians, and the Palestinian guerrilla movement in general, would become more radical — and so, he said, would political currents across the Arab world.

"If the United States continues to appear as though it is endorsing or at least tolerating the Israeli assault on Lebanon and the Palestinians," he said Monday, speaking in English, "and if the line which had been pursued under Secretary of State Haig continues, then the radicalization of the Palestinian movement is certain to be great."

It can be minimized, he said, "if the United States becomes more sensitive to the feelings of the Arabs and to the human suffering that has been inflicted upon hundreds of thousands of civilian Lebanese and Palestinians."

As for George P. Shultz, who has been nominated to succeed Mr. Haig, Mr. Baz said: "We wish him good luck. We are not asking him to be biased toward the Arabs. We are asking the United States administration to be evenhanded."

## Iraq Says Last Troops Withdrawn From Iran

BEIRUT — The last Iraqi soldiers left Iran Tuesday, pulling back to the international border and ending their 21 months of occupation of Iranian border areas.

An Iraqi armed forces statement said Iraqi troops had completed a unilateral withdrawal, promising nine days ago in the hope of bringing Iran to the negotiating table.

and winding up the long and costly conflict.

The statement said the Iraqi Army was now on full alert on the border and warned Iran against opening fire on Iraqi units or threatening Iraqi territory.

"Iraqi forces are fully prepared to teach them a cruel lesson if they continue in their error and try to detract from Iraq's sovereignty," the statement added.

This Sides

The Iraqi withdrawal restored to Iran the border towns of Qasr-e Shirin, Mahran and Sumar, as well as thin slices of the western Iranian provinces of Kermanshah and Ilam.

It followed a series of successful Iranian offensives and intensive efforts by Baghdad to extract itself from a military stalemate.

Iraq, which is about \$25 billion in debt to neighboring Arab states, has encouraged mediation attempts by the Islamic Conference Organization, the nonaligned movement and the United Nations. None of these efforts has borne fruit.

Despite President Hussein's close association with the war, he and most of his aides appear to have maintained their political positions at home.

They emerged unscathed from purges in the ruling Revolutionary Command Council and the Politburo of the dominant Ba'ath Party Monday and the day before.

Seven members of each body lost their jobs, but these were mainly little-known figures. President Hussein was unanimously re-elected secretary of the party's regional command.

Iraq Accused of Lies

LONDON (Reuters) — Iran said Tuesday that Iraq had lied in reporting the withdrawal of its troops from Iranian territory.

Hojatollah Hashemi Rafsanjani, the speaker of the Majlis, or parliament, and a member of Iran's Supreme Defense Council, told Tehran radio: "They are telling lies. The situation is the same and border areas in the west are still in the hands of Iraqis."

On other questions raised during the summit, EEC leaders said: "Expressed their 'deep concern' at the Iraq-Iran conflict, which they said 'seriously threatens the security and stability of the region' and renewed their offer of aid in reaching a negotiated settlement."

Agreed to refer conditions posed by Greece for continued EEC membership to a meeting of the group's foreign ministers scheduled for July 20. Greek Premier Andreas Papandreu told the summit leaders that Greece could not apply the EEC's value-added tax before 1984.

Schmidt Vows to Fight Bias Against Americans

BONN — Chancellor Helmut Schmidt, in a letter to the U.S. commander in chief in Europe published on Tuesday, pledged his full support for efforts to maintain good relations between American servicemen and West German civilians and promised to fight racial discrimination energetically.

Mr. Schmidt's letter was in response to one sent June 9 by Gen. Frederick J. Kroesen, in the general wrote: "The facts are that American soldiers usually enjoy warm acceptance in communities in which they serve and from most of the German people, but in recent years the spirit of friendship has been marred by small numbers of public establishments where they are denied access or service."

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## Polish Media Lash Out at Union Anew

**Solidarity Called 'Lid' Covering Underground**

WARSAW — Poland's state-run news media carried sharp new denunciations of Solidarity on Tuesday, saying that a revival of the suspended independent union might camouflage an underground campaign that has emerged under martial law.

The official press had avoided direct negative comment on Solidarity for several weeks, and the union seems to have toned down some of its underground publications as well.

Solidarity, the first independent labor organization in the Soviet bloc, has issued a series of leaflets and underground papers since it was suspended in the martial law declaration of Dec. 13.

The government spokesman, Jerzy Urban, stressing that his remarks reflected his own opinions and not those of the government, said in the weekly publication Here and Now that a revived Solidarity is "being conceived as a lid covering the political underground even before it has come into being."

"A renewed Solidarity would serve as an alternative to a civil war since a change of the country's political system is the aim to be achieved by both means," he said.

The Same Theme

The Communist Party daily Trybuna Ludu followed the same theme. In a commentary, it said that Solidarity opposed "normalization" or the easing of martial law rights and peace and quiet because that would "undercut the roots of their underground existence."

"They will not content themselves with a compromise or accommodation, for struggle is their aim, while a reinstatement of the union movement would merely serve as an opening stage of the struggle with the state," the paper said.

The commentaries appeared amid speculation and rumors of an impending easing of martial law restrictions. But they appear to signal that the authorities are in no hurry to come to terms with the union.

Mr. Urban's comments could reflect the thinking of prominent officials, while the Trybuna Ludu commentary might serve as a warning to the leadership against some sort of agreement with Solidarity before the time is right.

The timing of the commentary may also signal that another Communist Party Central Committee meeting is coming soon. Press attacks against Solidarity and its leader, Lech Walesa, tend to intensify just before the party meets.

Asked to elaborate, he said: "It will be extremely difficult for any government in the region to conduct a policy that is friendly toward the United States because the majority of the people of any Arab country, with no exception, have the impression that the Israeli operation had the United States' blessing."

Asked what the radicalization might entail, he said that, in addition to radicalization of guerrilla operations — and he did not elaborate on that point — there would be "radicalization of the Palestinian resistance, whereby more people would be swayed to renounce peaceful methods and would resort to violence as the only means of communicating with Israel."

"On top of that," he suggested, there would be "the radicalization of sociopolitical movements in the Arab region."

"In the region," he went on, "the wind of Islamic revolution is blowing from Iran, and if on the other side you have a growing feeling of despair and disillusionment with the political means of struggle, the temptation would be very great indeed for the youth to fall victim to any ideology of extremism to the right or the left."

"Of course," he continued, "what is going on will not result in the elimination of the PLO" or of the Palestinians.

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## WORLD BRIEFS

### Soviet Space Station Seeks Galaxies

MOSCOW — The Soviet-French crew on board the space station Salyut-7 carried out biological experiments Tuesday and began an attempt to trace distant galaxies.

The experiments, designed by French and Russian scientists, included monitoring the activity of micro-organisms in weightless conditions and the effect of antibiotics on them, the news agency Tass reported. The hunt for galaxies used special cameras with highly sensitive film that can register the radiation of weak galactic and intergalactic sources.

The three-man crew blasted off from earth last Thursday and linked up with Salyut-7 the following day. The space station has been manned by two cosmonauts for the past two months. French cosmonaut Jean-Loup Chrétien is due to return to earth with his two Russian teammates on Friday.

### Soviet Faster Told He Can Emigrate

MOSCOW — Iosif Kibitskiy, a Soviet artist who staged a 36-day hunger strike for the right to join his wife in West Germany, said Tuesday that he had been told by the authorities that he would be allowed to leave.

Mr. Kibitskiy, 36, who is married to a West German schoolteacher, gave up his fast on June 16 after being informed he would



## Perceived Interference Played a Major Role in Haig's Decision to Quit

By Bernard Gwertzman

WASHINGTON — Secretary of State Alexander M. Haig Jr.'s decision to resign from the White House was not a surprise to many of his friends and colleagues. But in discussing Mr. Haig's unhappiness with White House officials, some of his aides pointed to his concern that signals were being sent to the Arab world from the White House about the Lebanese situation that were different from those from the State Department.

Specifically, they said Mr. Haig was initially upset last week when he learned from Philip C. Habib, the special Middle East envoy, that the Saudi Arabian ambassador in Beirut, William P. Clark, had assured the Saudi ambassador in Washington, Faisal Alhagel, that the United States had obtained Israel's agreement to withdraw its forces about three miles from Beirut.

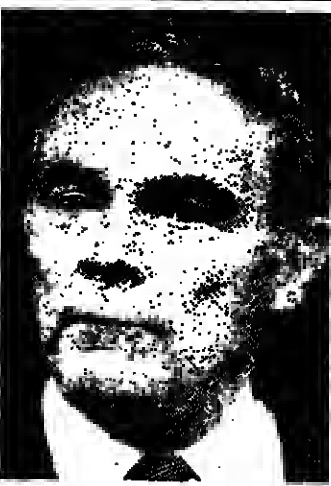
This troubled Mr. Haig because he was telling the Saudi Arabians at the same time that the United States could not guarantee Israel would not invade West Beirut and that the only way to prevent an attack was to end the Palestinian Liberation Organization's military presence in the Lebanese capital. If Mr. Clark had indeed told Mr. Alhagel the Israelis would pull back, this would serve to encourage the PLO to resist the pressure being put upon it.

Interviews with White House and State Department officials have now produced a version of events that does not substantiate the "two-channel" theory.

On Friday, June 18, Mrs. Alhagel, the wife of the Saudi envoy, paid a call on Mr. Reagan's wife, Nancy, to bring a letter signed by the wives of six Arab ambassadors in Washington calling for an end to the bloodshed in Lebanon. Mrs. Reagan asked Mr. Clark to attend the brief meeting, and he notified the State Department, which offered no objections.

Mr. Clark has contended that as a rule he does not meet with foreign ambassadors so as not to undercut the State Department. But after Mrs. Alhagel left, her husband telephoned and asked if he could see Mr. Clark on Saturday morning. White House officials said Robert C. McFarlane, Mr. Clark's deputy, checked with Nicholas A. Veliotis Jr., assistant secretary of state for Near Eastern and South Asian affairs, who said he had no problem with the meeting.

Mr. Alhagel expressed concern about the pending visit of Prime Minister Meuchem Begin of Israel to Washington that Monday to see President Reagan, and Mr. Clark, according to the White House, expressed hope Mr. Begin's visit would lead to a settlement in Lebanon. They also discussed



Alexander M. Haig Jr.

plans made by Mrs. Alhagel to picket the White House on Wednesday in support of the Lebanese people. Mr. Clark said he hoped the meeting with Mr. Begin would make it unnecessary for Mrs. Alhagel to do so.

On Tuesday, June 22, while Mr. Begin was still in Washington, Mr. Alhagel went to see Mr. Clark to tell him his wife would not picket and to express hope a coalition formed by Lebanese leaders would produce a lasting settlement. He also suggested the United States deal directly with the PLO. Mr. Clark said the United States was able to communicate effectively with the PLO through Saudi Arabia.

### Saudi Denial

Last Thursday, the day Mr. Haig told Mr. Reagan he was thinking of resigning, Mr. Habib informed Washington of the reports that Mr. Clark had given assurances of an Israeli withdrawal. When Mr. Veliotis asked him, Mr. Clark denied he had given such assurances to the Saudi envoy.

The State Department was later told by the Saudi Arabians that they had never passed such information to the Lebanese and the PLO, and that it was a "rumor" that had grown in Beirut.

Mr. Haig himself met with Mr. Alhagel last Wednesday and reportedly told him the United States saw no way out of the situation except for the PLO to pull back. The Saudi envoy urged the United States to bring about an Israeli withdrawal. This led some administration officials to speculate that the story of the discussion with Mr. Clark might have been a fanciful report from the Saudi Embassy. The Saudi ambassador did not reply to a request for amplification of his meeting.

White House and State Department officials said Mr. Veliotis told Mr. Haig he was convinced Mr. Clark was telling the truth about the exchanges with the Saudi envoy. They said Mr. Haig seemed to accept this version at the time. Subsequently, however, Mr. Haig expressed doubts to others about what Mr. Clark was doing.

## Expecting Guilty Verdict, Hinckley Wrote Speech on 'Love'

By Laura A. Kiernan

WASHINGTON — John W. Hinckley Jr. says he was shocked last week when a jury found him not guilty by reason of insanity in the shooting of President Reagan, and had prepared a four-page speech to read in court on the day he thought he would be sentenced.

"I thought for sure I would be convicted because of the pressure the jury would be under to return a guilty verdict," Mr. Hinckley said during three telephone interviews from St. Elizabeths Hospital for the mentally ill, where he is now confined.

He said during the conversations Saturday and Sunday that he believed he was insane when he fired on Mr. Reagan and three others, that he takes the blame for the shootings and that he now feels "really sorry" for presidential press secretary James S. Brady, who was wounded in the head and permanently injured.

If doctors at St. Elizabeths decide that he is well, Mr. Hinckley said, he wants to leave the hospital. But that decision is up to U.S. District Court Judge Barrington D. Parker, who presided at Mr. Hinckley's trial.

The 27-year-old presidential assailant said he had seen news reports about the public outcry over the jury's verdict, but he emphatically denied that he "beat the rap," as one newspaper headline had said.

"I'm not walking out on the street. I'm in a hospital with bars on it. They act like I'm out free. It's not that way at all," Mr. Hinckley said.

Mr. Hinckley, polite and casual during the three conversations, said he was pleased with his quarters at St. Elizabeths, in Southeast Washington. As soon as he arrived at the hospital last Tuesday, Mr. Hinckley said, people began asking for his autograph.

Mr. Hinckley's comments marked the first time he has talked with a news reporter since his arrest immediately after the shooting on March 30, 1981. Mr. Hinckley did not testify at his eight-week trial — which ended with the jury's verdict on June 21. He said Sunday, "I kind of did want to testify," but, he said, his attorneys felt otherwise.

A man identifying himself as Mr. Hinckley first called The Washington Post on Saturday afternoon and asked to speak with a reporter, who was not in at the time but he was asked to call again that evening. The interviews took place during that call and two others.

### Calls Not Authorized

The caller was able to answer specific questions about Mr. Hinckley's family, his personal life and his confinement at St. Elizabeths that were asked to verify his identity.

Mr. Hinckley's chief defense lawyer, Vincent J. Fuller, said

Monday that the telephone calls were made without the knowledge of Mr. Hinckley's attorneys.

Wayne Pines, a spokesman for the National Institute of Mental Health, which runs St. Elizabeths, said Monday that Mr. Hinckley's calls to the reporter were not authorized by the hospital and that his use of the phone is now being strictly supervised. Mr. Hinckley's telephone calls were supposed to be limited to his family and his lawyers, Mr. Pines said.

Mr. Hinckley said that he is now waiting to see what the doctors at St. Elizabeths will submit to the court by Aug. 2.

Mr. Hinckley, who is being evaluated by a team of psychiatrists, psychologists and social workers, said he spoke with doctors at St. Elizabeths within an hour after his arrival there on Tuesday night.

Judge Parker has scheduled a hearing on Aug. 9 to determine whether Mr. Hinckley is entitled to release from the hospital if he is no longer a danger to himself or others.

Mr. Hinckley said that if the doctors' report is "very negative," he might just waive his right to a hearing on release. But if the doctors determine he is well and no longer dangerous, Mr. Hinckley said, "I'm going to walk out the door whether the public likes it or not." He said he knew that if he is released, "the public is going to go crazy even more than they did" after the verdict.

Asked if he thought he was ready to be released from the hospital, Mr. Hinckley hesitated, then said, "That's a hard question...."



John W. Hinckley Jr.

"I certainly would not be a danger to myself and I don't honestly think I've been a danger to society.... I certainly would not be a danger to the president. I'll say that for sure," Mr. Hinckley said.

Mr. Hinckley went on to say he thought there was "only one person there might be a problem with.... I don't know if you've ever heard of her," he said. That person was actress Jodie Foster, he said.

"I don't think I would go stalking after her," Mr. Hinckley said. "If we were in the same room, there might be some problem."

During Mr. Hinckley's trial, there had been extensive testimony from defense psychiatrists, who told the jury that Mr. Hinckley was obsessed with Miss Foster. He

pursued her with telephone calls and love notes in the months before he wounded Mr. Reagan, Mr. Brady, U.S. Secret Service agent Timothy McCarthy and police officer Thomas K. Delahanty outside the Washington Hilton Hotel.

When asked this weekend why the shooting happened, Mr. Hinckley said, "I just wanted at that point to just turn Jodie Foster's life upside down. I mean just turn it just upside down."

### 'Something Snapped'

Mr. Hinckley said that on the day of the shooting, "I was at the peak of this madness I had been on for months and months and months.... Something just snapped.... I didn't care what happened."

He said he knows that he did not appreciate the wrong he was doing because of his reaction when he saw Mr. Brady, severely wounded by a gunshot to the brain. Mr. Brady is now permanently disabled.

"He's suffered and his life is not what it should be. I just want to say I'm very sorry about what I did. He was just at the wrong place at the wrong time.... and I just wish, I just honestly wish I could go back before that shooting.... and let him move two inches out of the way," Mr. Hinckley said.

He added: "I don't feel sorry for Reagan or McCarthy.... I don't know about Delahanty." Of Mr. Reagan, Mr. Hinckley said, "I helped his presidency. After I shot him, his polls went up 20 percent."

Mr. Hinckley said he knew that

Mr. Delahanty and Mr. McCarthy had brought civil lawsuits against him claiming millions of dollars in damages as a result of the shooting.

In his room at St. Elizabeths, Mr. Hinckley said, are a bed, a nightstand and a closet locker — and a picture of Miss Foster taken from a magazine.

### 'Despite Cheap Shots'

Mr. Hinckley said he was so convinced that he would be convicted of all 13 charges against him that, "I already had my sentencing speech written out."

In the speech, which he first called "Conviction," Mr. Hinckley recalled, he was prepared to say that he had received a fair trial, "despite the prosecution's cheap shots all the time." He also would have talked about Jodie Foster.

On Sunday night, speaking again from St. Elizabeths, Mr. Hinckley said he wanted to read aloud the last two paragraphs of that speech, which he said he now calls "An Act of Love."

"From the start, all I wanted was for someone to love me. I desperately wanted to be loved, but I never could give appropriate love in return. I seem to have a need to hurt those people I love the most. This is true in relation to my family and Jodie Foster. I love them so much that I have this compulsion to destroy them."

"On March 30, 1981, I was asking in be loved. I was asking my family to take me back and I was asking Jodie Foster to hold me in her heart. My assassination attempt was an act of love. I'm sorry love has to be so painful."

## Donovan Pleased and Unsurprised by Finding

By Kathy Sawyer

Washington Post Service

WASHINGTON — With a smile and an upturned thumb, Labor Secretary Raymond J. Donovan said he was "extremely pleased and certainly not surprised" that a special prosecutor had found insufficient evidence to prosecute him on allegations of connections with organized crime.

"The special prosecutor has confirmed what I told you all along — that none of these allegations would prove to be true," Mr. Donovan said after the report was received Monday.

His intention now, he said, is "to devote all my time and all of my energies to the task that President Reagan asked me to do 18 months ago."

According to one aide, Mr. Reagan was "pleased as hell" with the report. Mr. Reagan just went through the traumatic resignation of Secretary of State Alexander M. Haig Jr.

When asked at the daily White House briefing whether the president still has full confidence in Mr.

Donovan, the presidential press aide, Larry M. Speakes, responded, "I have not heard him say otherwise." He added later that Mr. Reagan had called Mr. Donovan to express his pleasure.

Several White House officials, however, have expressed the view that Mr. Donovan has become a political liability. They hope he will become aware of this and resign.

### Problems Remain

Even some of Mr. Donovan's defenders are concerned that the long-awaited, voluminous report, with its cautiously worded finding of "insufficient credible evidence," will not be enough to lay the problem to rest.

Pending any decision by Mr. Donovan, it appears likely that the labor secretary can survive White House displeasure because Mr. Reagan still believes in him. As the White House counselor Edwin Meese 3d, a defender, quipped last week: "If you've only got one friend in the White House, that's the friend to have."

On Capitol Hill, Sen. Orrin G. Hatch, Republican of Utah and

chairman of the Labor Committee, said he was pleased with the report, but reserved detailed comment until he could read all four volumes. He has recently suggested that Mr. Donovan should resign.

"As I've expressed many times, the secretary should be given the benefit of any doubt," he said. In answer to a question later, Sen. Hatch added that he has no apologies. "I don't think anybody owes anybody an apology," he said.

The Senate committee still intends to look into the FBI's failure to provide information to Congress during Mr. Donovan's confirmation hearings that had been provided to the White House, he said.

One of 12 children in a poor family, the labor secretary made millions by helping to build Schiavone Construction Co. into a major contractor. He attracted the eye of the Reagan presidential campaign by raising more than \$500,000.

Sen. Hatch initially supported Mr. Donovan's controversial nomination, but later joined Sen. Ed-

ward M. Kennedy, Democrat of Massachusetts, as an aggressive interrogator.

Mr. Donovan proved to be a fighter. While he spoke out in his own defense — once calling one of his accusers "murdering slime" — his New Jersey construction firm hired its own investigators to investigate the Senate investigators.

Mr. Donovan blamed his problems in part on what he calls the New Jersey syndrome. "If you are in the contracting business in New Jersey, you're indicted, and if you're Italian, you're convicted," he has said.

### U.S. Embassy in Kabul Reported Hit by Shots

The Associated Press

ISLAMABAD, Pakistan — The U.S. Embassy in Kabul, Afghanistan, was hit by gunfire last week when a truckload of Soviet soldiers stumbled into a battle with a government checkpoint after curfew.

The U.S. mission was among several buildings hit by random exchanges of fire that lasted two hours.

# Thomas Cook. The familiar face in unfamiliar places.



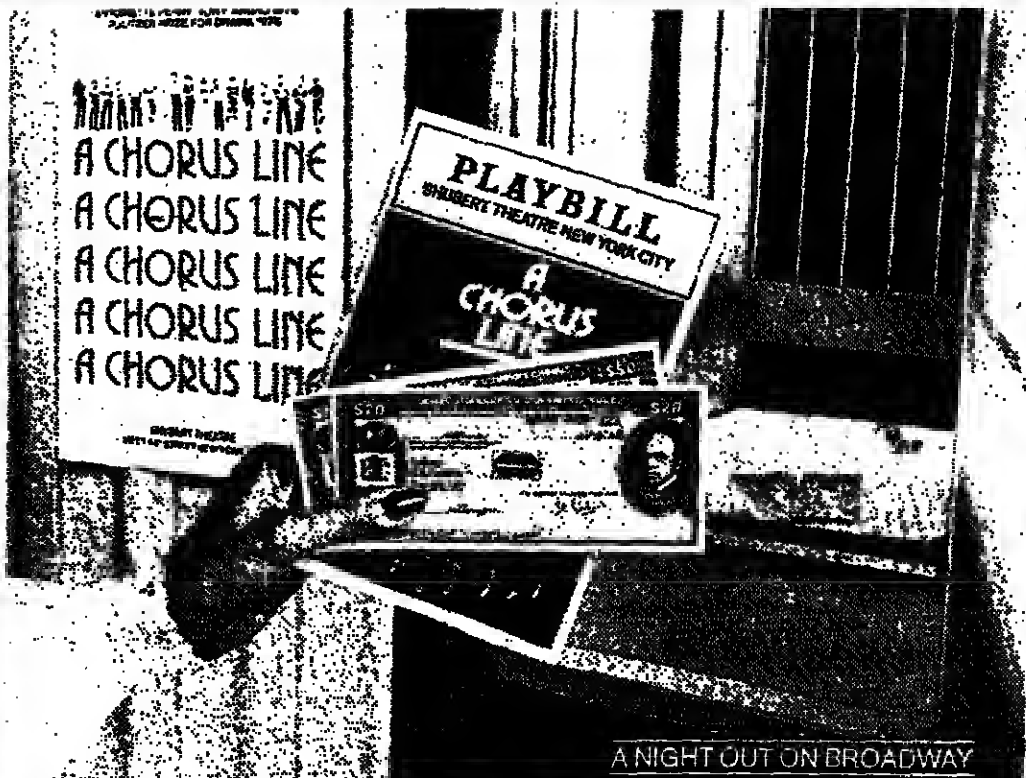
WINE BUYING AT TAVEL, FRANCE



LUNCH AT THE GEORGE INN, LONDON



A NIGHT AT THE KRONE, W. GERMANY



A NIGHT OUT ON BROADWAY

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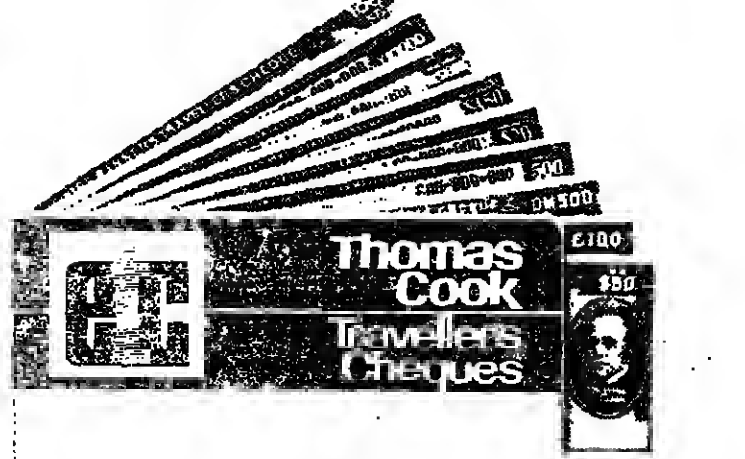
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And the symbol of MasterCard, one of the great names in international money, will also appear on Thomas Cook Euro Travellers Cheques.

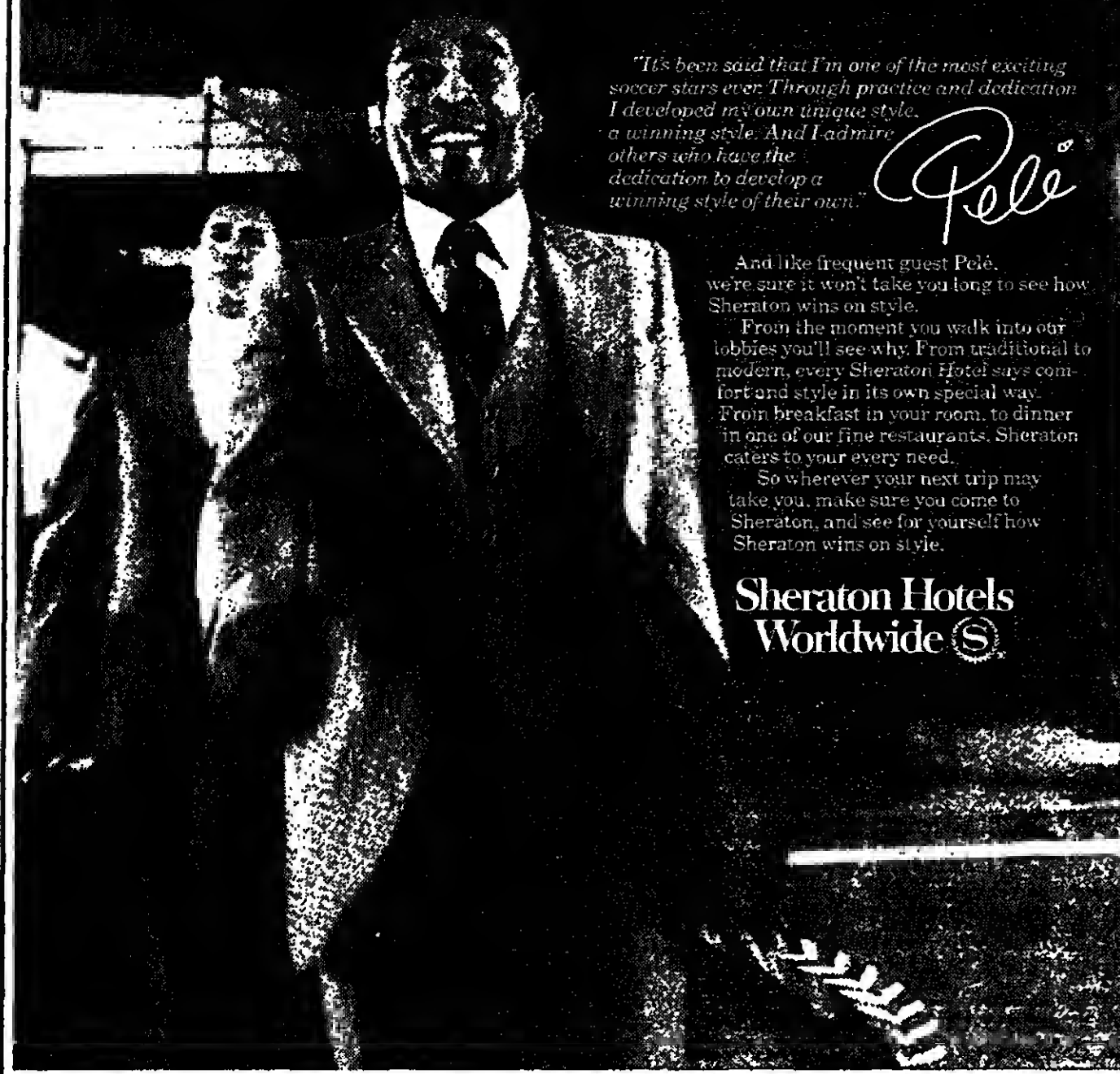
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## San Francisco Enacts Pistol Ban

Police, Store Owners Among Those to Be Exempted

By Judith Cummings  
New York Times Service

SAN FRANCISCO — The Board of Supervisors has passed a law banning most residents from owning pistols, making this the first large city in the United States to do so. The vote was 6-4.

The ordinance makes ownership of a pistol a misdemeanor punishable by up to 30 days in jail and a \$500 fine. Rifles and shotguns are not included in the prohibition, and exemptions are provided for the police, military and security personnel, gun collectors, private investigators, licensed target shooters and private store owners who obtain permission from the police.

The law will take effect 30 days after it is signed by the Mayor, Diane Feinstein. Pistol owners then have 90 days to dispose of their weapons.

The ban was proposed in February by Mrs. Feinstein, who assumed office after the handgun killings of Mayor George Moscone and Supervisor Harvey Milk by a former supervisor, Dan White, in 1978. The killings, which took place in City Hall, are widely credited with helping bring about some form of stronger firearms control.

### Challenge Expected

The ordinance is virtually certain to be challenged by opponents who contend that only the state of California, not local governments,

can regulate firearms. The National Rifle Association, the measure's major foe here, plans to file a suit seeking to overturn the new law, said Paul Stone, the group's national spokesman.

Even the law's strongest advocates maintain that it may be primarily symbolic. Mrs. Feinstein, conceding the difficulty of enforcing the law, called the ban's passage Monday a barometer of public discontent over gun-related crimes and of public frustration over the failure of state and federal legislators to enact stronger gun controls.

Last week a statewide initiative that would require the owners of all "concealable firearms" in California to register them with the state easily qualified for the November ballot.

The concept of a citywide ban received its first test in the nation last February in Morton Grove, Ill., a suburb of Chicago. Officials there reported that only a few guns had been turned in.

### No Raids

Mrs. Feinstein has acknowledged that the San Francisco law's effectiveness will depend on public cooperation. Responding to concerns by some opponents that the ordinance will lead to illegal searches and seizures of the property of private citizens, the mayor and Police Chief Cornelius Murphy have repeatedly asserted that

there would be no attempt to track down weapons or collect them from people's homes.

Mr. Stone asserted that experience had shown that residents would not relinquish their pistols, and he assailed the ordinance as a law that "will make criminals out of thousands of law-abiding citizens."

City officials say that because California law does not require registration of guns sold second-hand, there is no reliable estimate of the number of pistols in this city of 679,000 people.

In lobbying the supervisors for passage, proponents of the law stressed recent figures that show gun-related crimes on the rise, particularly domestic violence or "gun fringes in the heat of violence," while overall crime has decreased.

Lobbying here by the NRA and similar pro-gun organizations was limited. Mr. Stone said the association's major effort consisted of two public mailings. Supervisors on both sides of the issue said they received about equal amounts of mail and telephone calls from the ban's opponents and supporters.

The city council of Berkeley, across the bay from San Francisco, voted 8-1 on June 22 in favor of a ban on pistols. The same day, Oroville, a city of 9,000 north of San Francisco, did the opposite, ordering the city attorney to draft an ordinance that would require a pistol to be kept in every household.

## Train Drivers To Call Strike In the U.K.

Compiled by Our Staff From Dispatches

LONDON — A train drivers' union said Tuesday that it would strike Britain's railroads next week. The union made its announcement a few hours after the National Union of Railwaymen agreed to suspend its walkout.

The Associated Society of Locomotive Engineers and Firemen said that it would strike beginning midnight Sunday over British Rail's introduction of a new flexible rostering system. This was a chief cause of a rail strike last January.

Also Tuesday, National Union of Railwaymen representatives called off a strike that had halted most London subway trains since June 21 and brought traffic chaos to the British capital.

Delegates at the union's annual conference in Plymouth voted unanimously for their 12,000 subway drivers and guards to return to work at midnight.

That action came a day after the union suspended a separate strike that crippled the state-run British Rail network. The suspension, which was voted on the first day of the strike, was effective at midnight Tuesday.

### To Arbitration

The issue that caused the subway strike, a plan by financially pressed London Transport to cut the number of subway trains and introduce new timetables and work rosters, will go to arbitration.

On Monday, the union instructed its 177,500 members on the national railroad to return to work Wednesday, again pending arbitration of a pay and productivity dispute. But much of the rail network was back on the tracks Tuesday, as three-quarters of the workers returned to work ahead of the official midnight end of their strike.

The board of British Rail, which runs the 11,500-mile network, said that about 25 percent to 30 percent of its workers had defied the strike call Monday and reported for work.

As a result, it managed to run about 500 trains Monday out of the usual daily national total of 15,000, the board said. It said that it hoped to increase the number Tuesday as more employees returned to work.

But many commuting drivers decided on an early start for work Tuesday, not convinced that traffic would be any lighter. The subway strike had been aggravated by scattered sympathy strikes by bus drivers.



A gantry-mounted camera produced a view of the space shuttle being lifted by rocket engines from the launch pad.

## Shuttle Astronauts Beat Problems To Carry Out Key Pollution Test

United Press International

CAPE CANAVERAL, Fla. — The space shuttle astronauts overcame trouble with Columbia's mechanical arm on Tuesday and hoisted a pollution monitor to help clear the way for the next flight, on which the ship will hunt satellites for a foe.

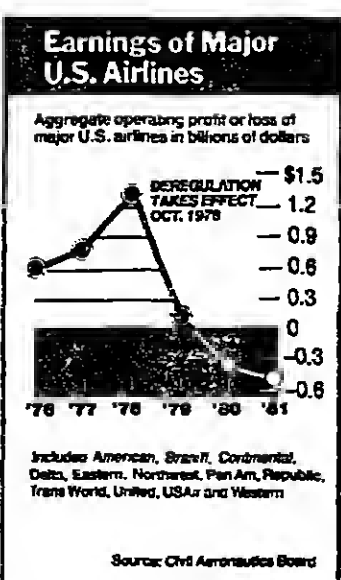
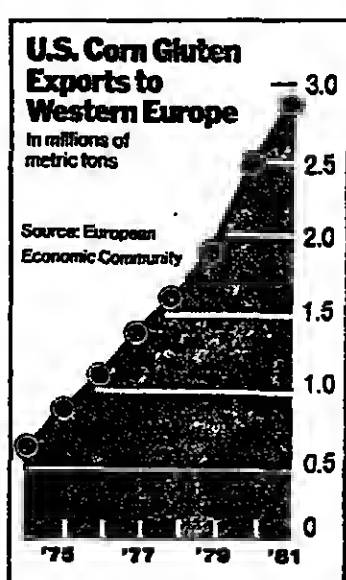
The shuttle, in the third day of its fourth and final test mission, now has logged two weeks in space since it started flying last year.

It is beginning to perform as routinely as an airliner. The astronauts, Capt. Thomas (Ken) Mattingly and Henry W. Hartsfield, had difficulty with the computer-controlled operation of the payload-grabbing apparatus on the end of the 50-foot (15-meter) Canadian-built arm. But after more than an hour of troubleshooting with the help of instructions from mission control, they reported they could operate the arm manually.

They used the boom to lift the 800-pound (360-kilogram) gas and particle detector out of the bay to start the last series of contamination surveys around Columbia to look for pollution escaping from the shuttle that might interfere with future cargoes. The work was one of a number of tests that had to be done to clear the way for the first operational mission, set for Nov. 11, when Columbia will haul two commercial communications satellites into orbit for the first time.

The possibility of a delay in the next flight was raised by a space agency announcement that parachute failure was the reason the shuttle's twin solid propellant booster rockets sank in the Atlantic after being jettisoned at an altitude of 31 miles on Sunday.

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## Kennedy Attacks Reagan's Record To Cheers of NAACP Convention

By Sheila Rule  
New York Times Service

BOSTON — Interrupted 35 times by applause from delegates to the annual convention of the National Association for the Advancement of Colored People, Sen. Edward M. Kennedy said President Reagan presides over "the most anti-civil-rights administration" in modern U.S. history.

His message calling for vigilance extending to the ballot box was echoed later Monday evening by Margaret Bush Wilson, chairman of the NAACP board. In her speech, she called for increased political action to battle the "domestic war" against poor blacks and other disadvantaged citizens.

Sen. Kennedy, Democrat of Massachusetts, who was emerging from an enthusiastic reception Sunday at the Democratic national conference in Philadelphia, was greeted warmly as he identified areas in which he said blacks and the poor had been harmed or abandoned by Mr. Reagan.

He congratulated the group for its effort to have the Voting Rights Act of 1965 extended.

"The only way that real change will truly come is by choosing representatives who fully share our goals," he said. "Across this land, let us act on the instruction of this

convention: 'Elect we must — leadership we can trust.' We will wage the same fight for racial justice on every front, against the most anti-civil-rights administration in the modern history of this land."

Sen. Kennedy, a probable candidate for the Democratic Party's 1984 presidential nomination, attacked Mr. Reagan for his appointments to civil rights posts, his cuts in educational and social programs, and his stands on affirmative action, the economy, Haitian refugees, human rights, arms control and tax exemptions for racially segregated schools.

"How dare anyone say that no one is hurting?" asked Sen. Kennedy. "You can see the hurt on the faces of the unemployed." In a phrase he used in a speech at his party's midterm convention during the weekend, he added, "The Reagan cheese lines of 1982 are as unacceptable as the Hoover bread lines of 1932."

As he concluded, delegates rose in an ovation, then linked hands and sang "We Shall Overcome." They were joined by Sen. Kennedy, his son Patrick, Mrs. Wilson, and Carlton Gray, grandson of Benjamin L. Hooks, executive director of the association.

Later this week, the 3,000 delegates to the 73d annual meeting

will be addressed by former Vice President Walter F. Mondale, another likely Democratic presidential candidate.

In Mrs. Wilson's prepared remarks, she attacked the administration, Congress and the judiciary for what she called their "ideological war" against the disadvantaged. She also said that the duty of blacks and the association is clearer than it has been in years, and the weapon is the ballot.

The delegates unanimously passed an emergency resolution directing the NAACP to take steps to disavow attacks on the mental capacity of blacks and calling for assurances from the president that racism and discrimination will not be tolerated in the armed services.

The resolution was largely in response to a report by the Brookings Institution that the nation's all-volunteer armed services had become racially imbalanced, as well as to the problem of discrimination against American soldiers in West Germany.

### Milan Bank Haul Is Record

United Press International

MILAN — Armed bandits got away with 4.8 billion lire (\$3.4 million) in cash from a bank here Monday, the largest bank robbery in Milan history.

Handwritten signature or mark.



## Pierre Balmain, 68, French High Fashion Designer, Dies

Compiled by Our Staff From Dispatches  
PARIS — Pierre Balmain, 68, a leading fashion designer, died Tuesday at the American Hospital of cancer of the liver after a two-month illness, his salon said.

Over 37 years, Mr. Balmain made clothes for Queen Fabiola of Belgium and Queen Sirikit of Thailand and such celebrities of the entertainment world as Marlene Dietrich, Sophia Loren, Michele Morgan, Ingrid Bergman and Brigitte Bardot. He also developed a successful perfume, ready-to-wear and accessory business with 130 outlets around the world.

Mr. Balmain reigned at the height of high fashion in the 1950s and 1960s, when a simple rounding of a shoulder or dropping of a hemline by the Parisian couture houses sent shock waves through the clothing industry.

He was born in the Savoy region. His father, a shopkeeper, died when he was 7, and he was raised by his mother. Mr. Balmain studied art and architecture before winning his first job in the luxury salon in 1934. He became an assistant designer at the Lucien Lelong salon in 1939 and, after

being demobilized from military service, returned to Lelong in 1941 where he met another young designer, Christian Dior. Together they designed the Lelong collections.

### First Collection

In 1945 Mr. Balmain opened his own fashion house in Paris and presented his first collection. He was praised by the press as a sober, youthful and vigorous talent.

Mr. Balmain quickly achieved fame for elegant design, notable examples being a gold-buttoned ermine reefer and white mink trench coat. His clothes were cut and finished of fine fabrics in such a way that they defied passing fads.

Gina Lollobrigida, Jennifer Jones, Claudette Colbert and Vivien Leigh were among the other celebrities who ordered his lavish evening gowns, known for decades as the most beautiful in Paris, glittering with hand-embroidered beads and sequins, rich with feathers and lace.

Mr. Balmain expanded his business with a New York shop in 1951 and another in Caracas in

1954, the beginning of Pierre Balmain boutiques around the world.

High fashion clothes began to decline in the late 1960s under the onslaught of the developing ready-to-wear industry with its own roster of big-name designers. Mr. Balmain's creations became less noticed, but he continued to serve private clients as well as producing ready-to-wear.

Mr. Balmain never married. A large, jovial man-about-town, he wore a monocle, sported a black cape lined with red silk in the evenings, and sang in a booming operatic tenor at parties. He also loved to travel.

He owned homes in Elba, Marakesh and Normandy. His art collection included Greek statues, 15th-century Chinese terra cotta, and antique vases and bowls.

### Final Showing

He finished his final collection for next month's showings while in the hospital and insisted that they be held as scheduled. The designs will be shown July 26, and the Balmain house will continue under another designer yet to be selected, possibly his assistant, Erik Mor-

gensen of Denmark, a salon spokesman said.

Mr. Balmain was awarded the Cross of the Legion of Honor by France and also had decorations from Denmark, Italy and the city of Paris.

He created controversy in the United States in 1961 when he criticized American women for being fashion copycats.

"I think Jackie Kennedy has a very great flair for clothes — very modern and elegant — and she's casual about it," he said. "And I admire her courage to wear only one style of hat. But there is the usual American mistake. Every woman wanting to look like her."

### Frank E. Hook

MINNEAPOLIS (NYT) — Frank E. Hook, 89, a one-time iron ore miner who served as a Democratic congressman from Michigan from 1935 to 1943 and from 1945 to 1947, died Monday in Edina, Minn.

### Frank O. Hunter

SAVANNAH, Ga. (AP) — Maj. Gen. Frank O. (Monty) Hunter, 87,

a World War I flying ace, died Friday. Flying with the late Capt. Eddie Rickenbacker, Gen. Hunter shot down eight enemy planes. In World War II, he headed the Fighter Command of the 8th Air Force.

### Clyde T. Holliday

WASHINGTON (NYT) — Clyde T. Holliday, 70, who produced the first pictures of the Earth from space, died last Wednesday in Arlington, Va. In 1946, he designed, built and installed cameras that were carried to an altitude of 100 miles (160 kilometers) in the nose of captured German V-2 guided missiles and in U.S. rockets.

### Harry F. Mills

LOS ANGELES (LAT) — Harry F. Mills, 68, one of the Mills Brothers, whose popularity withstood changing musical tastes to span more than five decades, died here Monday. He had been ill since he underwent abdominal surgery for removal of a tumor last year.



Pierre Balmain

Until his illness, Harry and his brothers Herbert and Donald had continued to perform both in the United States and abroad. Their hits included "Glow Worm," "Lazy River," "Yellow Bird," "Paper Doll," "You're Nobody 'Til Somebody Loves You," "Bye Bye Blackbird," "Basin Street Blues," "Tiger Rag," and "Cab Driver."

## Star Discovery Verifies U.S. Scientist's Theory

By Bryce Nelson  
Los Angeles Times Service

WASHINGTON — Astronomers have identified a new type of pulsating star, a finding that marks an important advance in understanding the structure and evolution of stars, the National Science Foundation has announced.

The new class of star, a pulsating "white dwarf" with a helium surface, is the first to be predicted by theory before its discovery, the foundation said.

Astronomers said Sunday the pulsations would help in understanding the internal composition of stars and how they evolve from normal, "hot" objects into the cold stellar corpses called white dwarfs.

White dwarfs are collapsed, aged stars that are believed to have once been small to moderate-sized, like the sun. In the final stages of their evolution, they collapse into compact but very dense objects.

### Very Dense

The newly identified star, which is designated only as "GD358," its number in the astronomical numbering system, has a mass about 60 percent that of the sun but a radius only about twice that of Earth, the astronomers reported.

In fact, they said, it is so dense that a teaspoon of water on the star's surface would weigh several tons.

The star was discovered by Donald E. Winget, 26, an astronomer at the University of Texas, in collaboration with R.E. Nather and Edward L. Robinson, both also of Texas, and Gilles Fontaine of the University of Montreal.

It is situated 30 to 100 light-

years (180 trillion to 600 trillion miles) from Earth and is a near neighbor of the Milky Way. It is far too faint to be seen with the naked eye.

When the star pulsates, it shows measurable variations in brightness caused by regular variations in its temperature. Previously, only white dwarf stars with hydrogen surfaces were believed to pulsate.

### Major Gaps in Understanding

On May 26, astronomers, using a 36-inch (91-centimeter) reflecting telescope in McDonald Observatory at Mount Locke, Texas, confirmed Mr. Winget's theory that white dwarfs with helium surfaces also pulsate.

Mr. Winget said, "There are major gaps in our understanding of stars in their late matter age and retirement years. We don't yet understand how an ordinary star like our sun becomes a white dwarf."

Mr. Nather said that because white dwarfs are among the oldest stars in the galaxy, their internal structure must contain an archaeological record of the early history of star formation.

He said the finding "can open up other opportunities for exploration of the stellar graveyard and allow us to reconstruct the whole life story of the stars."

"For the first time, we've got a digging tool for going down into the stellar corpses and seeing what they're made of," he said.

The astronomers said the star's surface temperature is about 40,000 degrees Fahrenheit (22,200 Celsius), about three times hotter than the surface of the sun.

Mr. Nather also said the star may be named after Mr. Winget.

## Ex-Peace Negotiator Loses Post in Vietnam

Restored  
BANOKOK — Vietnam's former chief negotiator in the Paris peace talks, Xuan Thuy, has been dropped from the State Council in what Western diplomats in Bangkok said Tuesday was the final stage of his political decline.

But they said it was unlikely that the hard-line Communist and revolutionary, who spent long periods in jail and in the jungle, would have lost his posts as vice president and secretary-general of the council but for poor health.

Mr. Xuan Thuy, in his mid-70s, lost his job on the Communist Party Central Committee at the party congress in March.

The State Council, a collective presidency, is nominally Vietnam's top policy-making body, but most important decisions are made in the party's Politburo, diplomats said.

The Vietnam News Agency named Mr. Xuan Thuy's successor on the council as Huynh Tan Phat, a southerner who was president of the Provisional Revolutionary Government in South Vietnam during the Vietnam War.

### Token Role

Mr. Phat, 70, has played a token role in the government in Hanoi since the country was reunited after the war. Two weeks ago Mr. Phat resigned from the Council of Ministers, or Cabinet.

The appointment of Mr. Phat, who is not a member of the Communist Party, as State Council vice-

president was a gentle way of pushing him aside, one diplomat said.

The post of secretary-general went to Le Thanh Nghi, who implemented widely criticized economic policies of the late 1970s. He was dropped from the Politburo in March.

Vu Quang, vice minister of communications and transport, was also named to the State Council, replacing Nguyen Thanh Le.

The State Council changes were announced by the National Assembly at the end of a six-day meeting in Hanoi, the agency reported.

Mr. Xuan Thuy, one of the country's leading propagandists and Communist theoreticians, joined the Ho Chi Minh Revolutionary Youth League when he was 14. He was jailed by the French in 1939 for six years for Communist activities and later, between 1963 and 1965, was North Vietnamese foreign minister, resigning on health grounds.

The 496-member National Assembly, elected in April last year, also made changes in its standing committees, the agency said.

Mr. Quang gave up his post as chairman of the Committee for Youth to become chairman of the Foreign Relations Committee, replacing Nguyen Thanh. Mr. Quang was succeeded by Le Thanh Dao, a National Assembly member.

Vietnam's highest ranking wom-



Xuan Thuy in 1972.

an Communist, Nguyen Thi Dinh, former deputy commander of the Viet Cong Army, was replaced as chairman of the Medical and Social Affairs Committee by Duong Quoc Chinh, chairman of a committee to investigate alleged Chinese war crimes against Vietnam.

One diplomat said, "The loss of her committee post conforms with the recent policy of not giving one person many jobs. It is not a loss of prestige."

Diplomats said the changes in the State Council had little political significance as long as Truong Chinh, its powerful president and the No. 2 Politburo member, retained his post. Mr. Truong was elected by the National Assembly last July.

## Sihanouk Expects Singapore to Join In Coalition Aid

Restored  
SINGAPORE — Prince Norodom Sihanouk, the president of the anti-Vietnamese coalition of Cambodian rebels, said here Tuesday that Singapore will join Malaysia in considering material aid to the non-Communist faction of his government-in-exile after he forms a credible united force.

Before flying to Jakarta, the former Cambodian head of state said that the non-Communist Association of Southeast Asian Nations wanted to see the nationalists with a strong army to balance their major coalition partner, the Communist, Peking-backed Khmer Rouge. The coalition calls itself Free Kampuchea.

This is especially true of Singapore and Malaysia, he said. Indonesia, Thailand and the Philippines, all on the itinerary of his current aid-seeking trip, are other members of the association.

He also said he is planning trips in the near future to Africa, the United States and other Western countries.

### Thatcher Will Visit Rome

Restored  
LONDON — Prime Minister Margaret Thatcher will visit Rome on July 7 for talks with Premier Giovanni Spadolini and other Italian leaders, the British government said Tuesday. Foreign Secretary Francis Pym and the chancellor of the exchequer, Sir Geoffrey Howe, will accompany her.

## Head Count in China Is to Begin Thursday

Restored  
PEKING — China and its billion or so people embark on the biggest census in world history Thursday, with authorities determined to make the head count more accurate than ever despite a long history of census-dodging.

To deal with the country's rapid population growth, the government needs reliable information for its strict birth-control policy and its economic planning.

In the buildup to the census, Peking has been conducting a nationwide publicity campaign stressing the need for a responsible attitude and proper supervision.

About 5.7 million census officers have been appointed to make sure everyone fills in the forms correctly; random checks will be made on 1 percent of households to seek out any errors.

The big problem is that China, whose successive rulers have tried to keep close tabs on their people for nearly 4,000 years, has just as long a history of census-dodging.

Despite elaborate precautions this time, many of the old motives remain. While it may no longer be true that people will avoid the census for fear of being pressed into some warlord's army, peasants working illegally in cities are unlikely to want to advertise their presence for fear of being sent home.

People in remote areas — 80 percent of the population lives in the countryside — might not want

to reveal a recent death that could lead to a loss of ration tickets. Rural families who have had four children, for example, may be unwilling to disclose this at a time when the government has ordered them to have only one, or two at the most.

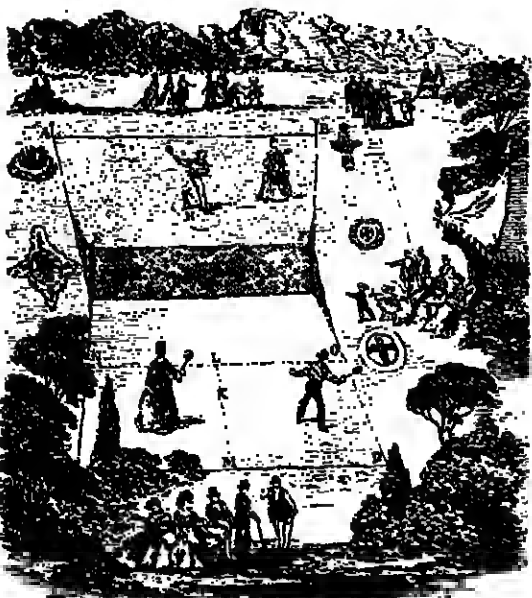
Local officials might also try to tamper with the figures to cover up misreporting in the past, perhaps done to keep taxes lower or receive higher state subsidies. Mao, who regarded a large population as a good thing and was thus partly responsible for China's near-doubling in size since 1949, was skeptical about demographic research and said that such deception was a problem.

The 19-point questionnaire is the most detailed so far and is designed to collect data on ethnic origin, educational level and occupation as well as on births, deaths and marriage.

The exercise will cost China \$200 million, in addition to \$15.6 million provided by the United Nations Fund for Population Activities to buy American computers. The results will not be fully available until 1984.

Li Chengrui, head of the State Statistical Bureau and one of the top organizers of the census, wrote in a government magazine that "people are ready to cooperate with the government in census-taking because they know it will advance economic construction and social progress, and help efforts to raise the standard of living."

# How times have changed at Wimbledon.



Tennis before Wimbledon.

Without doubt, the dream of every tennis player in the world would be to become a Wimbledon Champion.

And just as certainly, the dream of a player who has made that aim a reality would be to do it again.

Such is the status and prestige of Wimbledon. The premier tennis championships of the world. Yet the very first tournament of 1877 was rather different in size and spectacle to the event we know today.

The men's final attracted just 200 spectators.

They each paid one shilling to watch the proceedings, and the total profit from the entire event was just £10.

Yet that first inaugural Wimbledon committee were responsible for many innovations and changes.

Ideas which are now permanent features of the game.

The shape and size of the court, and the tennis scoring system are directly attributable to their decisions.

Superficially, Wimbledon today would seem not to have changed.

The cavernous arenas of Centre and No. 1 courts and the perfectly manicured grass look much

as they did in the 1920s.

Yet while Wimbledon has always been very conscious of its traditions, it has always reacted quickly and progressively to the ever-evolving needs of the game and spectators.

And times have changed at Wimbledon.

The Rolex Watch Company of Geneva have been asked to update the entire Wimbledon time-keeping system. Throughout the grounds, 22 clocks have been replaced and the entire system is now controlled to an extremely

high degree of accuracy by radio signals.

On court, the clocks inform spectators of both the time and the duration of the match. But not only



Perfect timing on the Centre Court.

spectators rely on Rolex for perfect timing.

Many of the world's top professionals choose a Rolex Oyster as their own personal timepiece.

Its tough, rugged construction (it takes 162 separate operations to carve an Oyster case from a single piece of metal) provides strong, secure protection for the precision movement against the speed, power and controlled violence of

the modern game.

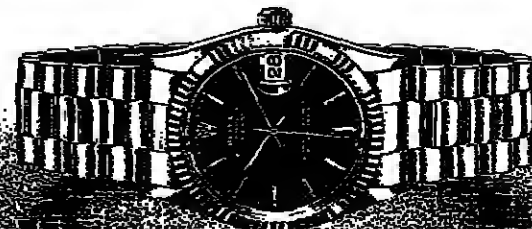
One thing at Wimbledon, however, will never change.

The winner on the day will be the player with determination, strength, and immaculate timing.



Chris Evert Lloyd in action.

ROLEX  
of Geneva



Pictured: The Rolex Datejust Chronometer (682718). In 18ct. gold, steel and gold combination, or stainless steel, all with matching bracelet. Watch shown actual size.



# Herald Tribune

Published With The New York Times and The Washington Post

## Off to a Belated Start

The world's oldest established permanent floating disarmament conference has opened in Geneva. It has been a long time since America refused to ratify the SALT treaty, but now it and the Soviet Union are sitting down again to work to contain strategic nuclear weapons — and the heat's on.

The freeze and other proposals emanating from the disarmament movement may confuse the specifics, but they have aroused political pressures that generate hope for progress. Had this swell of public support come three years earlier, the SALT-2 treaty probably would have been ratified. What, if anything, can be achieved now, with only 18 months before the next U.S. presidential campaign?

There is a temptation to say, "Not much." That undoubtedly is the desire of some in the Reagan administration who distrust the arms control process and believe security can come only from a heavy American military buildup. This view predominated through the early months of the Reagan presidency, but it has now been challenged in enough different ways to encourage some optimism:

• Linkage of arms control to political issues has been put aside. The world need not wait for Afghanistan or Poland to be solved before anything is done to lighten the shadow of the Bomb.

• The United States has stopped evading negotiations. Advocates of credible proposals have succeeded in delaying, to a second phase, a variety of proposals that would stymie any first phase, such as demands for equal "throw-weight." The Reagan proposals fit into the mainstream of past SALT negotiations, to reduce and limit warheads on both land- and sea-based ballistic missiles.

• Most important of all, advocates of arms control in the American government have prevailed in obtaining a public commitment from the president to abide by the chief provisions of SALT-2, so long as the Soviet Union continues to do so.

None of this means that the Soviets will accept, as is, the Reagan proposals now offered. These seem to provide for equality in both reductions and the numbers of missile warheads to remain, but in fact would require disproportionate Soviet cutbacks.

Moscow has not rejected the concept of cutting missile warheads on both sides from 7,500 to 5,000, but it has expressed reservations about a provision limiting land-based missile warheads, where its strength is concentrated, to half that number. And it insists on including, as in SALT-2, limits on bomber and Cruise missile warheads, where America has a substantial lead. Still, unless there are unrevealed catches in the Reagan plans, realistic Soviet counterproposals could bring the two sides into serious negotiation.

The objective then would be a simplified treaty, more like the SALT-1 interim agreement than the intricate SALT-2 treaty. It would not be easily achieved — and new technology might make it impossible. Like SALT-1 and 2, it would not close the so-called "window of vulnerability" of American land-based missiles. But General Edward Rowley, the U.S. negotiator, has already excluded that as a negotiating objective, a position that can bring a strategic arms agreement much more easily within reach.

A new agreement may be too hard to finish in this short period. If so, Mr. Reagan could ask for congressional endorsement of his pledge to abide by SALT-2. Various ways of doing that have recently been suggested by, among others, Henry Kissinger, who says: "I have a great difficulty understanding why it is safe to adhere to a nonratified agreement while it is unsafe formally to ratify what one is already observing."

That would not bring the oldest established permanent floating disarmament conference to fruition. But it would be, in the most needed arena of all, a start.

THE NEW YORK TIMES.

## A Goal Beyond Beirut

The cease-fire has been holding in West Beirut, and it appears the city's ordeal might be ending. Surviving PLO forces sought the cover of its half a million or more (unconsulted) residents, counting on Western pressure — in the absence of Israeli scruple — to keep the Israeli Army at bay. But Israel's strategy for forcing a Palestinian surrender rested on convincing the PLO and everyone else that the Israeli Army would go in.

To his credit, Ronald Reagan finally became alarmed enough by the devastation the Israelis had wrought on the way to Beirut to try to stay their hand. For a while, his counsel made them — and evidently Secretary of State Haig, too — fear that he might neutralize their tactics for intimidating the PLO. The PLO, though, decided not to call the Israeli bluff. This was West Beirut reprieved.

It is still not certain that the siege of the city will be permanently lifted. If it is, however, the stage may be set for Lebanon's halting re-emergence as a state in control of its own territory and destiny. Should Israel have adopted the goal, beyond combating terrorism, of removing Palestinian and Syrian forces and "reconstituting" Lebanon? Should it have used such bloody methods in pursuing that goal? Argument on those questions will continue, but it cannot be permitted to get in the way of affording Lebanon whatever benefits it can draw from its latest agony. Stung by the impression they have conveyed of indifference to Arab lives and to

American interests, the Israelis have a major interest in replacing their army with an authentic Lebanese authority in snap time.

The Palestinians can claim some face and profit in averting a final Israeli onslaught on Beirut and in witnessing a change at the American State Department of at least symbolic satisfaction to them. The reality remains that the PLO has lost its military resources and pretensions and its lone base of operations. As a result, many people now predict the movement will become increasingly fragmented and radicalized. It could happen. But it should not be allowed to become a self-fulfilling prophecy. This is the worst moment to close off all political vistas to the Palestinian national movement.

It depends, ultimately, on the Israelis. They can take comfort in having broken the PLO's sword. They can take no comfort in having added to its store of hate. Representing, as it still does, Palestinian nationalism, the PLO is no longer a real military threat, if it ever was — although terror is another matter. But it remains the force that compels Israel to lead a lonely, dangerous, stranger's life in its region. The dominant Palestinian grievance — Israeli rule over more than a million Arabs in the West Bank and Gaza — endures. The true service that the United States can perform for Israel, as for itself, has not changed: to help Israelis and Palestinians find common ground.

THE WASHINGTON POST.

## LETTERS TO THE EDITOR

### Britain's Deterrent

Regarding "Britain Should Leave the Nuclear Game" (IHT, June 26): Mr. Rosenfeld thinks the United Kingdom should abandon its nuclear arms because they add little to British security that is not bestowed by the U.S. connection. This is not the case. Britain's nuclear arsenal forces the Soviets to take one more nuclear power into account when thinking about war in Europe. This enhances Western deterrence, especially at a time when American credibility is low.

Paris. ROBERT DUJARRIC.

### Britain Faulted

That the Falklands war was necessary to save 1,800 British settlers from an intolerable fate is hard to believe. Between 1833 and 1882, many more thousands of Britons have settled freely on the mainland of Argentina, live contentedly and prosperously and to become a respected part of Argentine society.

On the Malvinas issue, Argentines have always been united. The British campaign and the heavy sacrifices will have strengthened their unity and re-

solve in this matter, which will now remain one of high national priority for future governments. That a large part of the British public could in 1982 be carried away by nationalistic emotions and rhetoric is amazing. It is deeply disappointing to those abroad who have looked to today's Britain as a model of a civilized and sensible democracy.

Jerusalem. L. NOY-MEIR.

### Trans-Oceanic Echo

Dial Torgerson ("Cheers Turn to Tears," IHT, June 16) quotes an Argentine as asking, "Why did we do all this — to get nothing?" There are quite a few thoughtful Britons asking the same.

London. AL HIX.

### Same Old Prison

From the article on the Peking municipal prison (IHT, May 31), I see that things haven't changed at my old alma mater since I left it more than 20 years ago.

It being a model prison open occasionally for inspection and visits by foreigners or overseas Chinese, living conditions for the inmates tend to be somewhat better than those in labor camps or

even in an overwhelming number of People's Communes.

But Peking Prison never was and is not now a "country club." Like any other prison or labor camp in China, its "facilities" and "welfare benefits" are intended for the single purpose of increasing production and accelerating the inmates' ideological reform.

The daily study sessions are intended to "reform" the prisoners' "bad thoughts" and "incorrect ways of thinking." They can train them into skilled dialecticians: able to hold their own when arguing with wardens. During these political study sessions all are supposed to express themselves without fear of reprisals. We had nothing to fear: We were in prison already! Prisons in China are the only places left where freedom of speech is encouraged.

As for prisoners who do not leave after serving their time, this is not new. In 1954 a law was passed to oblige prisoners to stay on after their sentences were up. On our "graduation day" we all asked the authorities to let us stay on so as to make an active contribution to the building of socialism. If we didn't do so, it was proof that we hadn't reformed.

Paris. J. PASQUALINI.

# Haig's Main Problem Seems Sure to Survive Him

By Philip Geyelin

WASHINGTON — George Shultz is strong, as Hemingway would have it, in Al Haig's broken places — so plainly so that it is tempting to believe that all will be sweetness and light, steadfast and coherent, firm and effective in the future conduct of Ronald Reagan's foreign policy.

Forget it. Life in the policy-making trenches may be pleasant, but, as the timing and manner of Haig's departure perfectly illustrate, the problems afflicting the Reagan handling of foreign policy owe far less to defects of personalities than they do to Reagan's defects in management.

True, the secretary of state-designate is not touchy, vainglorious, gratuitously combative, given to public posturing. Unlike Haig, Shultz is easy to get along with. Also unlike Haig, he is California-comfortable with Reagan. He is, he says, "sympathetic" with the president's thinking on national security and foreign policy issues. But to conclude from all this, as some do, that Shultz will say "sympathetic" is to forget that Haig said the same sort of thing when he took the job. The intensity of the vendettas may have done him in, finally. But the vendettas were rooted in real differences over policy for the Middle East, China, Europe and East-West relations.

It was the hard choices created by the Reagan administration's first, close encounters with the real world that drove the wedges between the practiced Haig and the novices and ideologues entrenched at the White House and the Pentagon. It was unforeseen events and unyielding forces — political, diplomatic, military — that took Haig in tow and tugged him, by his own account, off the president's course.

Given what we know about Shultz, you have to allow for at least the possibility that this will happen again, in less cantankerous but not necessarily less divisive ways. For he would seem to be strong in places Haig was strong: tough-minded, intelligent, widely traveled, schooled in the hard knocks of the policy-making process of government. He gives a sense of someone who believes that an excess of dogma is no virtue and that a realistic rolling with the punches of allies as well as adversaries is not always a vice.

The question, then, is not whether new crises, or those now boiling, are going to generate sharp clashes and deep differences. That is inevitable, if only because the State Department, the Defense Department, Commerce, Labor, the CIA, whatever, serve dif-

ferent purposes and play to different bureaucratic constituencies and interests.

The overworked "Bechtel connection" is not going to make George Shultz and Defense Secretary Casper Weinberger as one with each other on arms control or the Atlantic Alliance or even the Middle East, let alone as one with the White House on its domestic political imperatives.

The deeper question is whether, with a minimum of breakage, the team on which Shultz is expected to be a true-blue "team player" can now be made to play like, well, a team. And the answer will have to come, in the case of Shultz's stewardship at State, as it should have come far earlier in the case of Haig's: from the president.

Not the least of the lessons of the Haig upheaval is that Ronald Reagan has not yet managed to figure out how to manage the conduct of foreign policy. No other theory of the case adequately explains the breakdown of presidential control over the orderly execution of what are supposed to be, after all, presidential policies.

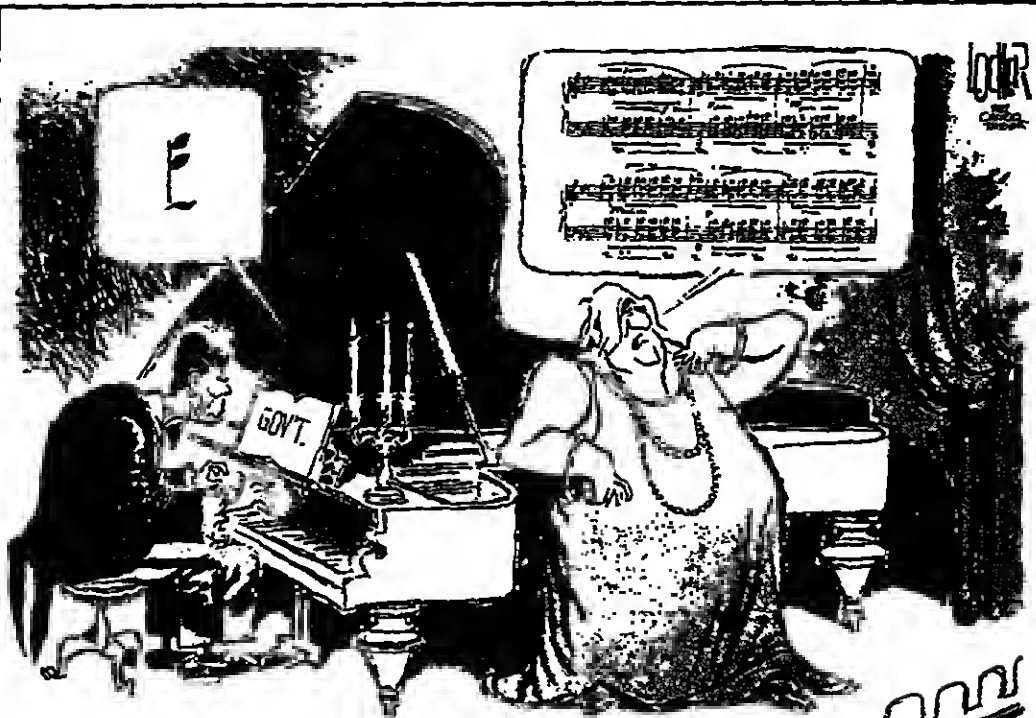
The split-level diplomacy on the war in Lebanon was an example, with Haig doing his delicate diplomatic thing while the vice

president and the secretary of defense were doing something quite different and the White House was winging it.

We are regularly told this isn't so — so regularly that you have to wonder. In recent weeks both National Security Adviser William Clark and his deputy have gone out of their way, using almost identical phrasing, to spell out in lavish detail the president's meticulous and deft involvement in national security decision-making on arms control, East-West and North-South issues, the whole gamut. We are told that one-third of the president's time is thus consumed; he has signed 35 national security directives (the equal, seasonally adjusted, of his predecessors); he has presided over 57 meetings of the National Security Council.

What are they trying to tell us? Something that squares poorly with the president's unrestrained to give extemporaneous expression to his foreign policy, publicly. Something that squares not at all with his sudden appearance in the White House press room to announce — while refusing to elaborate to a baffled, crisis-weary public — that this Swiss watch of a policy-making machine has just busted its main spring.

The Washington Post.



## The Democrats Get a Warning

By David S. Broder

PHILADELPHIA — When the Democrats left Philadelphia Sunday at the end of their mid-term national party conference, they had achieved what Lyndon B. Johnson, their vice-chairman, had defined as the minimal goal. They formed the firing squad in a straight line against the Reagan policies, instead of a circle in which they aimed at each other. For a party that has been notably short on civility in recent years, it was an achievement that there were no self-inflicted wounds in the weekend of oratory and resolution-passing.

Quite a few good rhetorical shots were landed. The speaking honors went to Sen. Ted Kennedy and former Vice President Fritz Mondale. But neither of them was really able to answer the most important question about the Democrats: Are they ready to be a national party again?

Kennedy and Mondale are liberals of the old school, which is natural and safe if you come from Massachusetts or Minnesota. In those states, Ronald Reagan got less than 43 percent of the vote in 1980 and voters seem tired of the conservative governors they elected just four years ago.

But Rep. Steny Hoyer of Maryland, a shrewd politician with the border-state mentality of looking in both directions, made the pertinent observation: "You can't elect a president between Massachusetts and Minnesota," he said. "You have to be able to move south and west as well."

That is an obvious fact of life for a party which won narrowly with a Southern candidate in 1976 and lost overwhelmingly when that Southerner, Jimmy Carter, carried nothing in Dixie but his home state four years later.

Yet Southern accents were not prominent on the Philadelphia convention podium. One Dixie presidential hopeful, Sen. Fritz Hollings of South Carolina, rushed through his speech as if he had a plane waiting. The other, former Gov. Reubin Askew of Florida, seemed to speak at all.

Askew's silence should not be mistaken for indifference. He is waging an intense underground campaign, reminiscent of Carter's outsider assault on the 1976 nomination. He has been in all 50 states since Jan. 1, and he and his wife will "vacation" for 10 days this summer in New Hampshire.

"just to get the geography in our heads," he says, "and learn how they pronounce the names." But there were a few Southern speakers, and they said serves as a useful corrective to the current Democratic euphoria. Their message was that the voters rejected the party in 1980 for good cause and have yet to be convinced that it has recognized the errors of its ways.

The electorate, said Rep. Kent Hance of Texas, "didn't feel the Democratic Party deserved its vote in 1980." Now his constituents are asking, "Where is the Democratic alternative to Ronald Reagan and his Republicans? Why hasn't the Democratic Party stepped up to the critical issues of the day with responsible alternatives?"

Hance's testimony was dismissed by some as the rationalization of a man who gave Reagan big help on the 1981 tax bill. But the message was the same in the speech of Rep. James R. Jones of Oklahoma, who, as chairman of the House Budget Committee, has seen the nominal Democratic majority splinter on each key roll call. Jones argued that the Democratic Party has lost control of "the vital center" of politics and instead has been perceived as "the party of factions."

That was also the theme of Rep. Gillis Long of Louisiana, chairman of the House Democratic Caucus. "Let us not kid ourselves," he said. "The opportunity we have today comes not because of what we have done, but because of Republican failure... The Republicans have given us a reprieve. They have embraced a program every bit as radical as anything factions of our party embraced during the 1970s." To profit from the reprieve, Long said, "we must demonstrate to the American people that the Democratic Party we ask them to vote for in 1982 is a different party than the one they voted against in 1980."

Are Democrats doing that? All the Southerners hinted that the answer is no, but Hollings said it bluntly. "On the all-important issue of the economy," he said, "the people still shy away from us." He warned: "If Democrats cannot act for the common good to put America back to work, then we will not be entrusted to lead."

The Washington Post.

# START: The Lead-Up Was Not Reassuring

By Gerard Smith

The writer was chief negotiator in strategic arms limitation talks with the Soviet Union from 1969 to 1972. This is the first of two articles.

WASHINGTON — One can only hope that the formal opening of arms-limitation talks between the two superpowers in Geneva will bring to an end the public posturing and the global propaganda that have marred the debate over nuclear weapons. I do not entirely endorse President Reagan's proposals, which may destabilize the arms race, but it may not be too late to turn what has been a largely polemical exercise into real negotiations.

However, it would be hard to underestimate the damage the Reagan administration has done to itself. The key to arms control is patient and private diplomacy. In choosing to reject this at the beginning, Reagan placed himself under a great handicap that could only sow confusion abroad and invite cynicism at home.

Not the least of his problems is the growing number of Americans who believe there is some quick fix to the nuclear dilemma. Anyone who has participated in arms negotiations knows there is no such thing. But the administration's reluctance to move on the issue created a profound sense of national impatience, which is not the best atmosphere in which to conduct complex diplomacy.

Words, even more than deeds, have contributed to the mess. Campaign rhetoric called for rearming America and regaining military superiority. Loose statements suggesting that a nuclear war could be "limited" to Europe offended the allies and helped accelerate the growth of a grass-roots anti-nuclear movement in Europe. These pressures, which Europe-

an governments could not ignore, eventually persuaded the Reagan administration to begin talks in Geneva on theater nuclear weapons and to offer a plan, the so-called zero option, under which proposed deployment of Pershing-2 and Cruise missiles in Europe would be abandoned if the Soviet Union would scrap missiles now targeted on Western Europe. But it is difficult to see any positive outcome to these talks unless they are tied to some broader limitation on strategic arms.

The administration soon began to notice that it had a problem at home as well. Admiral Hyman G. Rickover, the founding father of America's nuclear navy, warned that the country was spending too much on defense, that it would probably blow up the human race and that disarmament was an urgent necessity. A congressional resolution calling for a freeze on nuclear weapons has gained considerable support, despite arguments that it would be difficult to verify and could come only after long, complicated negotiations.

For a time the administration continued to resist, arguing that serious, comprehensive talks should be linked to better Soviet conduct in Poland, Afghanistan and elsewhere, as well as an improvement in the U.S. military posture. But the pressures proved too great. With the European summit meeting fast approaching, the administration (not without fierce

how, while in a position of parity America has managed to convince many that it is in second place. That specter will be felt at the negotiating table and it is not likely to increase U.S. bargaining power. Until now, negotiations have been based on the assumption that a situation of parity existed between the two parties. It will take some doing to arrive at arrangements that correct a balance now alleged to be out of equilibrium.

Meanwhile, as reflected in the president's bellicose speeches to the British Parliament and the United Nations, the administration has declared psychological and economic war on the Soviet Union even as it tries to regain the offensive on the issues of peace and arms control. Sending such confusing and even contradictory signals cannot help but complicate the very difficult task of trying to manage the strategic balance.

The New York Times.

## June 30: From Our Pages of 75 and 50 Years Ago

### 1907: Garbage Fouls New York

NEW YORK — Mayor McClellan has abandoned his weekend vacation to take command of the situation due to the strikes of the street cleaners and the ice wagon drivers, resulting in encounters between strikers and strike-breakers. Ice is scarce. Scores of employees of the Health Department, removing the heaps of garbage, the accumulation of five days, have been driven off by the strikers, but the work is now well organized, and the operators are protected by the police. Squads are saturating the garbage heaps with disinfectants pending their removal by the as yet insufficient wagon force. On the West Side the conditions are not generally offensive, on the East Side they are most obnoxious.

### 1932: Party Walks Wet Plank

CHICAGO — The battle cry of "beer and light wine" was tossed into the Democratic National Convention when the resolutions committee caused a sensation by bringing in a plank for outright repeal of the 18th Amendment and immediate modification of the Volstead law to permit legalization of beer and wine. The unexpected extreme wet proposal caused an uproar and the dries and moderate wets immediately announced they would bring in a minority plank calling for a referendum on repeal. Former Sen. Gilbert M. Hitchcock of Nebraska, chairman of the committee, was interrupted by a frenzied demonstration when he came to the words: "We favor repeal of the 18th Amendment."

## Herald Tribune

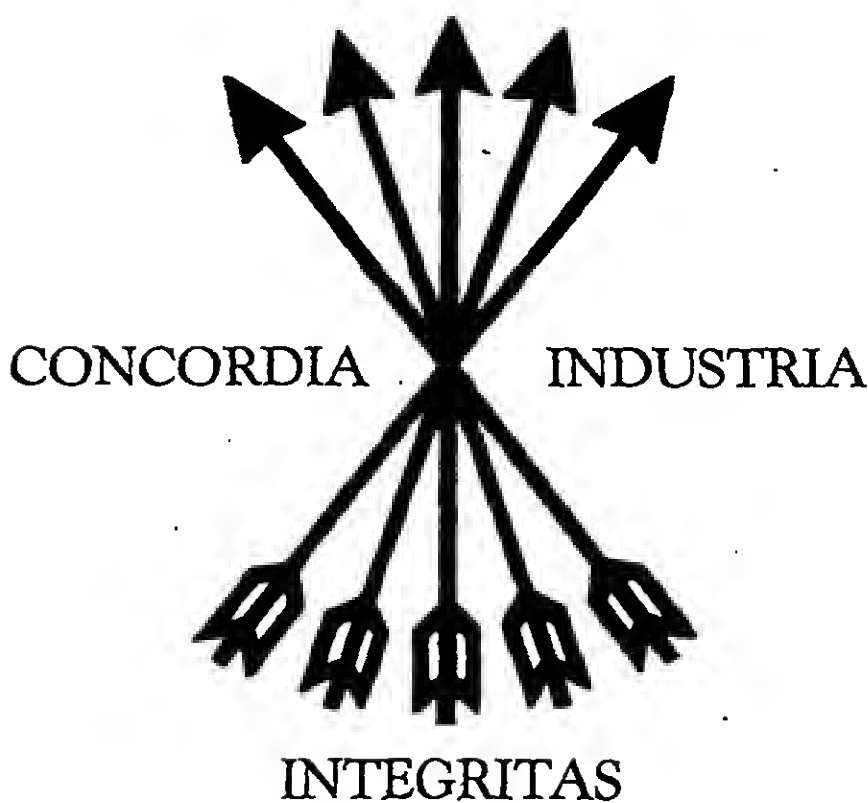
John Hay Whitney (1904-1982)

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## ARTS/LEISURE

## 'Veronika Voss' Lacks Suspense

By Thomas Quinn Curtis  
International Herald Tribune

PARIS — The late Rainer Werner Fassbinder's penultimate work, "Die Sehnsucht der Veronika Voss" (The Yearning of Veronika Voss) received the first prize Golden Bear at the 32d Berlin festival, a jury verdict that may raise some eyebrows.

Shot in black and white to match its early 1950 setting, it is stuffy, old-time melodrama that borrows from "Sunset Boulevard" and Fritz Lang's hair-raising Dr. Mabius series.

Its heroine is a faded star of the German cinema trying to cope with evolution of tastes. Beset by declining popularity, advancing years and hallucinations of her glamorous past, she falls into the clutches of a pack of quacks who drug her with morphine in a sinister clinic. A journalist she chances to meet learns of the malpractice and would bring her parasite persecutors to justice. They, alarmed, connive to finish off their distracted patient.

Rose Zech as the withered favorite in no way resembles the movie queens of the quondam German movies — Marlene Dietrich, Paula Wessely, Anny Ondra or Zarah Leander — and she is triumphantly clad. The improbable situations that arise suggest a sensational Otto Soyka thriller crossed with episodes from "The Perils of Pansyline," but the film lacks the suspense element on which such things thrive. One suspects the Berlin festival jury was lulled into

slumber by the monotony of the glum proceedings.

The movie about vagabond youth must be excruciatingly bad to fail. Genealogy it contains the seeds of instant success. Whatever horrendous hardships it may describe, it sounds a siren obligato, voicing plaintively the insatiable yearning for youth, liberty and adventure that is irresistible, even if just another romantic illusion.

Add to earlier screen treatments of this general theme the Brazilian film "Pixote" by Hector Babenco. Its case is that of an orphan who, revolting against the injustices in a reform school, makes his getaway with two fellow inmates and before long is in the thrall of the underworld, an accomplice in drug and prostitution rackets and in holdups and murders. Nearer babyhood than manhood, he is a deft killer at 12.

"Pixote" has been recommended as a tonic expose of the shocking conditions of underprivileged children in urban Brazil. The recommendation is in order, but the film is far more than a social document. From its sordid evidence, Babenco has distilled a drama of extraordinary excitement and poignancy, innocent of the slightest theatrical trickery. All that happens has an authentic ring, but the unremitting naturalism is edged with uncommon directorial cunning.

There is much violence, but there is also a curious humor, now macabre, now of schoolboyish fooling. These junior bandits may not be happy, but they are happier at large than locked up. Between their evil deeds, they have exhilarating fun, and their moments of merriment, their rough but deep camaraderie and the shadow of their pathetic longings have been wonderfully humanized.

As the impish youngster turned by circumstance into a dangerous criminal, Fernando Ramos da Silva, a 10-year-old of fallen-angel countenance, supplies a piece of acting that is compellingly persuasive in all its details, and the supporting actors fit their assignments to perfection. "Pixote" is a motion picture in which the Brazilian "cinema novo" may take pride.

Jean-Jacques Aublanc, making his directorial debut with "Un Matin Rouge," has efficiently stage-managed his company of reputable actors — Claude Rich, Michel Duchaussoy, Jacques Fabbri and Maurice Romet — but the script he has written for them is as riddled with holes as a shooting-gallery target.

Forty years after an incident in World War II, six comrades of the Class of 1943 meet for a reunion in their provincial town. One of them is now mayor of the community and the others his friends who he has tracked down the man who betrayed their schoolmaster to the Nazis; the teacher was executed before their eyes. As capital punishment has been abolished in France, the mayor has decided to take justice into his own hands.

To meet the regulation movie time schedule, Aublanc inserts long sequences of a village fête that is taking place. At the end, the informer who profited from the Nazi reward is beckoned to the town hall and the mayor takes down his rifle and shoots him dead in the town square. The story, such as it is — is told in a straightforward manner, but for his next venture Aublanc should engage a scenario writer who has something more pertinent to say.



Fernando Ramos da Silva in "Pixote."

## Long-Banned Play Makes China Comeback

The Associated Press

PEKING — A play about a tragic love affair between a concubine and a female impersonator with the Peking Opera has made a triumphant return to the portmanteau Chinese stage after having been banned for 25 years.

"Return Home on a Snowy Night," written by Wu Zuqian in 1942, has been playing to full houses for more than four weeks and the cast has been taking curtain calls, a practice virtually forgotten these days. "It is so gentle and meaningful," said a woman in the audience. "There is no propaganda. I don't remember when I last saw a play like this."

The play is laden with homosexual allusions. Modern Chinese censors have considered any reference to homosexuality, and usually heterosexual sex, to be taboo. The scenes of homosexual flirtation were received in silence, apparently without shock.

The play, a favorite of the late Premier Chou En-lai, is a neoclassical story about the meaning of life, considered a frivolous topic during the Maoist Cultural Revolution.

"Return Home" is set in Peking in the 1920s, in a milieu of elite pleasure seekers where concubines and male prostitutes were common. Male brothels surrounded the imperial Forbidden City, some staffed by Peking Opera performers who specialized in female roles.

## Mortadella: Not a Bit of Baloney

WHEN I was a youngster, the sausage we ate most often — except, of course, for the frankfurter — was baloney, alias balony or boloney, and for the erudite, bologna. It was not a food that impressed itself indelibly on the memory, though it served the lady as an easily applied component of sandwiches in which, like its frequent companion in the same role, deviled ham, it assumed the task of representing meat at picnics, though without much conviction that it was succeeding.

This was the only sort of baloney of which I was conscious in New England early in this century, though it appears that there was, in Pennsylvania Dutch country, a sausage with more character referred to as "Lebanon-style bologna" — meaning, of course, Lebanon, Pennsylvania, not the Middle Eastern country. Calling it bologna was close to libel, for the Lebanon sausage, or summer sausage, was eminently qualified to represent meat.

The late Alfred Emanuel Smith, governor of New York and unsuccessful candidate for the presidency, must, like myself, have been

much exposed to baloney during his upbringing, for he is credited in the reference books with having originated the only two phrases known to me that have enshrined baloney in folk speech; and I judge that it was the same rather dried baloney, for neither of his references to it sounds particularly complimentary.

According to the Oxford Dictionary of Quotations, Gov. Smith, when invited to lay the cornerstone of the New York State Office

**WAVERY ROOT**  
Building, answered, "Nothing doing. That's just baloney. Everybody knows I can't lay bricks." It is obvious that he did not invent the expression, for he expected everybody to understand it.

The other example appears in Bartlett's Familiar Quotations, attributed to a 1936 campaign speech: "No matter how thin you slice it, it's still baloney." (I think it runs more trippingly off the tongue in the more familiar form, "No matter how thin you slice it, it's baloney all the same.") Smith was, on this occasion referring to the rhetoric of Franklin D. Roosevelt; Claire Booth Luce later expanded the scope of the play by coining "globaloloney." A rhyming derivative, inevitable if tautologous, produced "phony-baloney," which Damon Runyon rendered into mock-Latin as "phonus-bolonus."

"Baloney" as a corruption of "bologna" recognizes that the American sausage is an imitation of mortadella, the most famous sausage of those produced in Italy's Bologna. Mortadella is a very old creation and Bologna is a very old sausage-making center. Tradition has it that the ancient Romans first learned about sausage from the Gauls, and that the tribe that had the earliest opportunity to instruct them was the Boii. Invading Italy, they drove the Etruscans out of Felsina, which was renamed, apparently from them, Bonia; it is Bologna today.

In 190 B.C. the Romans took the city and acquired sausages; after one year's enjoyment of them, they adopted the region as a colony. The Bologna region has had the reputation of being the most prolific sausage-making area of Italy ever since.

A great deal of mediocre sausage is misleadingly referred to as mortadella, but as made in Bologna, mortadella is one of the great sausages of the world, which well deserves the accolade accorded it in 1661 by Ovidio Montalbani, a doctor and a gourmet, who called it "the noblest of all pork products." Many other experts, before and since, have agreed.

A dissenting opinion was expressed by Anatole France, who found mortadella unpleasant in taste and indigestible for the stomach; "but he had with him, during his visit to Bologna," wrote Alessandro Cervellati, "his tyrannical friend, Madame Caillavet, which was certainly no help to the digestion." The French *Dictionnaire de l'Académie des Gastronomes* says, "Mortadella has the pleasant taste, but being made of the kind of meat, both distinctive, it does not have a clearly defined flavor."

Delicacy is difficult to achieve; it may be that David has been unlucky in the search for mortadella she has encountered. She might be if, for instance, she met American mortadella, which does not sound particularly subtle as defined by Webster's: "made of chopped beef, pork, and pork fat, seasoned with pepper and garlic, stuffed into large casings, cooked and smoked." The same source's definition of baloney is "a large moist sausage, usu. of beef, veal and pork, that is chopped fine, seasoned, boiled, and smoked."

It is perhaps because this mixture of meats is so bland, not only on each other's flavors that I remember baloney as uninspiring and, at its worst, recalling soap in texture. In soap, tastefulness is a virtue.

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## New Royal Ballet 'Orpheus' Is a Showcase for Eurydice

By Noel Goodwin  
International Herald Tribune

LONDON — As the Royal Ballet's tribute to the Igor Stravinsky centennial, Kenneth MacMillan has choreographed a new "Orpheus" for a Stravinsky triple bill at Covent Garden. In seven short, linked scenes, it follows the traditional story of Orpheus' attempt to rescue Eurydice from Hades, ending with his death at the hands of the Furies but showing an apotheosis of Apollo raising the lyre of Orpheus to the heavens.

Most of these incidents are, as it were, written into Stravinsky's music, which was composed for George Balanchine and what is now the New York City Ballet. That company has kept the Balanchine ballet in its repertoire since the 1948 premiere, and it was still to be seen and heard in the company's recent Stravinsky festival in New York, where, I found, older

works like this eclipsed newer ones.

Comparisons are inevitable. MacMillan's version has more elaborate detail but less compelling choreography. His designer, Nicholas Georgiadis, provides costumes and headpieces in stylized Greek manner, as well as high metal ladders shining against black drapes to suggest the pit of hell, but these are not so striking as the sculptured simplicity of Isamu Noguchi's wonderful New York designs, which have kept their effect after more than 30 years.

**Role Extended**  
An advantage of MacMillan's version is a more extended role for Eurydice, who is seen being tumbled into Hades over the backs of other "lost souls." She dances a strangely colorful, robot movements being restored to a blindfolded Orpheus for their short duet, which is surprisingly allowed to continue briefly even after he has torn off the blindfold, though their contact is oddly passionate.

At the performance I saw, Marguerite Butler brought grace of line as well as poignancy of character to Eurydice. Wayne Eagling was a strongly focused Orpheus, but the role's emotional feeling seems added to his dancing rather than expressed through it. His soul is supposedly contested by a dark angel (Philip Brownhead) and the angel of light (Stephen Beagley), but they seem less actively concerned with Orpheus than with each other. The Furies are energetic but not particularly aggressive in the steps they are given, and Apollo is very much at odds with the rest in having stiff-legged, robot movements that belong more to the world of dolls than deities. In a gloss on the myth that I have never seen before, Orpheus and Eurydice are shown united in death and rising heavenward, much as if they had just danced "Swan Lake."

Stravinsky's beautifully crafted music, an essay in sculpted line and rhythm rather than expressive feeling, was decently played under the conducting of Ashley Lawrence. The new ballet was flanked by "The Firebird" and "The Wedding" for the centennial program, two from the Royal Ballet's printed list of 16 Stravinsky ballets produced since 1948, too many of which have regrettably been dropped for lack of any will or inclination to keep them in the repertoire.

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AN INTERNATIONAL HERALD TRIBUNE/OIL DAILY CONFERENCE

INTERCONTINENTAL HOTEL, LONDON, SEPTEMBER 20 &amp; 21, 1982.

Sheikh Ali Khalifa al-Sabah, Minister of Oil and former Finance Minister of Kuwait, will be the keynote speaker at the third annual International Herald Tribune/Oil Daily conference on "Oil and Money in the Eighties."

Senator James McClure, Chairman of the U.S. Senate Energy Committee and one of the main formulators of U.S. energy policy, will open the second day of the

conference, and U.S. Secretary of the Treasury Donald T. Regan will answer questions via live telephone hook-up following a special video address to the conference from Washington, D.C.

Senior executives in energy, finance and related fields wishing to register for this conference may return the registration form below.

## ENERGY IN AN UNCERTAIN ECONOMY

## SEPTEMBER 20

## KEYNOTE ADDRESS

Sheikh Ali Khalifa al-Sabah, Minister of Oil, Kuwait.

## THE SUPPLY AND DEMAND OUTLOOK

Theodore R. Eck, Chief Economist, Standard Oil Company (Indiana).

Helen Hughes, Director of Economic Analysis and Projections, The World Bank.

Ian Seymour, Executive Editor, Middle East Economic Survey.

Moderator: Herman T. Franssen, Chief Economist, International Energy Agency.

## WHERE OIL AND GAS WILL BE FOUND IN THE EIGHTIES

Hans R. Grunau, Senior Exploration Consultant, Petroconsultants.

## NEW POWER RELATIONS IN THE GULF

James E. Atkins, former U.S. Ambassador to Saudi Arabia.

## THE IMPACT OF DOWNSTREAM ARAB INVESTMENT

Donald C. O'Hara, former President, National Petroleum Refiners' Association.

Abdullah M. Taker, Governor, Petromin.

## SPECIAL ADDRESS

Donald T. Regan, U.S. Secretary of the Treasury, speaking from Washington D.C.

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Fees are payable in advance of the conference. Each participant: £435 or the equivalent. This includes all refreshments, lunches, and post-conference documentation. Fees will be returned in full for any cancellation that is postmarked on or before September 3, 1982.

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## SEPTEMBER 21

## U.S. ENERGY POLICY

Senator James McClure, Chairman of the U.S. Senate Energy Committee.

## PROBLEMS OF ENERGY FINANCING

THE INVESTMENT OUTLOOK FOR NORTH SEA ENERGY  
Hamish Gray MP, U.K. Minister of State for Energy

MOBILIZING INTERNATIONAL FUNDS FOR ENERGY PROJECTS.  
Ian Logie, President and Chief Executive, Int. Energy Bank.

INVESTMENT DECISIONS IN AN ERA OF DECLINING OIL PRICES  
Harold Hammer, Executive Vice President, Gulf Oil Corp.

THE EVOLUTION AND IMPACT OF INTERNATIONAL OIL TAXATION  
Robert B. Weaver, Vice President, Global Petroleum Division, Chase Manhattan Bank.

## THE LONG TERM GAS OUTLOOK

John Lichtblau, Executive Director, Petroleum Industry Research Foundation.

John F. Meeder, Manager of Corporate Planning, N.V. Nederlandse Gasunie.

## HOW TO MAKE MONEY IN A SOFT ENERGY MARKET

THE OIL FUTURES MARKET  
John Treat, President, New York Mercantile Exchange.

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## BUSINESS / FINANCE

WEDNESDAY, JUNE 30, 1982

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## BUSINESS BRIEFS

## Dome Subsidiary to Sell 6 Tankers

LONDON — Dome Petroleum has signed a letter of intent to sell six tankers to private business interests in Quebec for 44 million Canadian dollars (\$34 million), the financially troubled oil company said Tuesday. The ships, owned by its subsidiary Davis Shipbuilding, include five now in service as the Branch Lines Division fleet, and one just built, Dome said.

## Fed Allows Chase-Equibank Deal

WASHINGTON — The Federal Reserve Board will not interfere in Chase Manhattan's proposed purchase of stock of Pittsburgh-based Equibank and its subsidiary Equibank, it was announced Tuesday. In a letter to Chase, the Fed said its "serious concerns" about Chase exercising influence over either companies have been eased by modifications Chase made in the proposal it submitted last year. The Fed said Chase agreed to a number of conditions that limited its control over Equibank and its bank.

## Intersind Discards Wage Escalator

ROME — Intersind, the management organization of Italian state-held industries, has decided to abolish the 1975 agreement that links wage increases to the cost of living. The Intersind board voted 16-1 Monday to discard the wage-escalator agreement known as the scala mobile. A similar decision had been made by Confindustria, the private-sector industrial management organization. Both groups said the scala mobile was highly inflationary.

## Associated Hotels Sets Loan Terms

HONG KONG — Associated Hotels has signed a syndicated loan agreement for 650 million Hong Kong dollars (\$110.5 million) with a leading group led by Canadian Imperial Bank of Commerce and Yieh Yeh Commercial Bank of China, Canadian Imperial said Tuesday. Interest on the four-year loan was set at 1 1/4 points over the Hong Kong interbank offered rate.

## Krupp, Estel to Make Joint Aid Bid

BONN — Krupp Stahl and Estel Hoesch Werke have agreed on a joint investment plan in time to meet a June 30 deadline for requesting state aid. Krupp Stahl spokesman said from Bochum, West Germany. The spokesman declined to give details of the package, but industry sources said it is for about 4.8 billion Deutsche marks. The two firms, which plan to merge their steel operations this year, could receive federal aid amounting to one third of the total investment, the sources added.

## Court Rejects Bouygues' Takeover

PARIS — The Paris Commercial Tribunal said Tuesday it had ruled Bouygues' takeover of the Drouot insurance group in February was invalid, and it fined Bouygues 20,000 francs (\$2,890). It ordered Bouygues, a major French public works and construction group, to return the shares of the three companies of the group, Groupe Drouot, Vie Nouvelle and Sté. de Participations Internationales, in exchange for the 505 million francs it paid for the shares, plus interest since February.

## Barnett to Acquire Great American

TAMPA, Fla. — Barnett Banks has announced an agreement to acquire Great American Bank for \$47.3 million, which could push it past Southeast Banking as Florida's largest banking company. The proposed acquisition would raise Barnett's assets from about \$6 billion to \$6.75 billion. Southeast Banking Corp. had assets of \$6.6 billion as of March 31. Barnett said Monday it had agreed to buy the 42.8 percent of Great American's voting stock held by Marvin L. Warner's Combanks, which is based in Orlando, Fla.

Compiled From Agency Dispatches

## U.S. Court Limits State Tax on Foreign Units

By Robert C. Siner  
International Herald Tribune

WASHINGTON — The U.S. Supreme Court defined new limits Tuesday on the ability of states to tax the worldwide income of multinational corporations.

In a pair of 6-to-3 decisions involving Idaho and New Mexico, the court held that a state cannot tax the dividend and capital-gain income of independent foreign subsidiaries whose parent companies are based outside the state. In such cases, a company must show that the foreign subsidiary is not part of a "unitary business" but is economically distinct from its operations in the state.

The court, amplifying a 1980 decision that allowed states to tax in-

come earned outside their borders using the so-called unitary rule, found that New Mexico could not tax the worldwide income of F.W. Woolworth because the income from Woolworth's foreign subsidiaries was not connected with its New Mexico operations. Woolworth owns subsidiaries in West Germany, Canada, Mexico and Britain.

Speaking for the majority, Justice Lewis F. Powell held that "A showing has been made that income unconnected with the unitary business has been used in the levy of a New Mexico tax. We conclude that this tax does not bear the necessary relationship to operations, benefits or protection conferred or afforded by the taxing state."

Woolworth, which is based in New York, reported its dividends from its foreign subsidiaries as nonbusiness income which was not to be allocated to New Mexico.

In the second case, involving Idaho's attempt to tax the worldwide income of Asarco including dividends, capital gains and interest income from subsidiaries that do no business in the state, Justice Powell ruled that the company had

shown that no unitary business relationship exists between Asarco and its subsidiaries.

Citing the 1980 decision, Justice Powell held that subsidiaries that are separate business entities rather than closely integrated segments of the parent company are not part of a unitary business and their income cannot be used by the state in determining the tax liability of the parent company.

## Prices on Wall Street Show Slight Increase

Compiled By Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed mixed Tuesday after a few major banks raised broker loan rates.

The Dow Jones industrial average, down more than 2 1/2 points in mid-afternoon, managed to rally in the final few minutes to close up 0.28 at 812.21. The average has gained 23.31 points since hitting a 26-month low on June 18. Declines led advances by a 702-697 margin, while volume rose to 46.9 million shares from the 40.7 million traded Monday.

Analysts said the increased volume may have been caused by some institutional investors doing a bit of last-minute "window dressing" of their portfolios for the third quarter. Brokers said some selling developed after Bankers Trust, Chemical Bank and Continental Illinois Bank raised their interest rates to brokers for loans, primarily because federal funds rates banks charge one another have risen the past week or so.

Robert T. Parry, chief economist for Security Pacific National Bank,

said an increase in prime rate from the current 16 1/2 percent level is likely and may come this week.

He said that the prime increase, justified by recent sharp increases in the banks' cost of funds, would be at least 17 percent.

Prices were slightly higher on credit markets, aided by a drop in the federal funds rate to 14 1/2 percent from an earlier high of 15 1/2 percent, dealers said.

On the NYSE floor, Diamond Shamrock was up 3 1/2 at 21 1/2 in active trading.

Metropolitan declined to comment on a New York Times report that it might be interested in acquiring Diamond Shamrock. Cities Service was one of the most active issues, closing down 1/4 at 54 1/4.

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## Alaska Gas Pipeline Goes Nowhere Slowly

By Wallace Turner

New York Times Service

ANCHORAGE, Alaska — For almost five years, advocates of a pipeline to carry Prudhoe Bay natural gas into the lower 48 states have been frustrated in their attempts to put together a package of financing for the multi-billion-dollar project.

But strong political and business forces have begun exploring other routes to bring the gas to market. As authorized, the pipeline would run south from Prudhoe Bay parallel to the Alaskan oil pipeline to Fairbanks, then east to the Canadian border. There it would join a Canadian-built pipeline paralleling the Alaska highway to the U.S. border, where one branch would head east to serve the upper Middle West and another west to the three Pacific Coast states.

With support apparently fading for the Alaska highway route through Canada, Gov. Jay Hammond has authorized a study of alternative routes. Former governor Walter J. Hickel and William Egan will be co-chairmen. Mr. Hickel recently told associates it might be necessary to shift from the Alaska highway route to one that would parallel the Trans-Alaska Pipeline all the way from Prudhoe Bay to Valdez, a distance of 800 miles, or to deliver gas to existing facilities on the Kenai Peninsula, west of Anchorage.

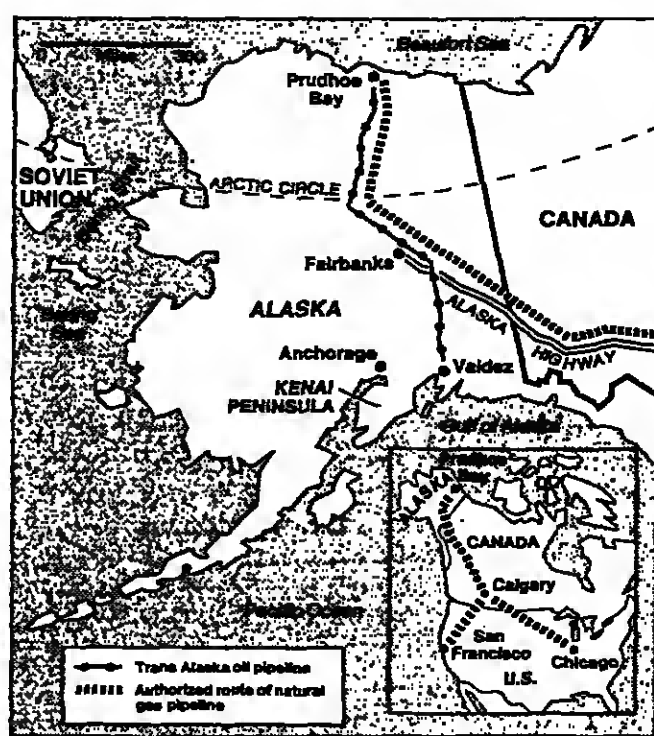
Either alternative would be shorter, through less difficult territory and much less expensive than the authorized route.

At Fairbanks, meanwhile, the suspicion grows that the gas pipeline may never be built.

In 1976, a U.S. law was passed to expedite the gas line, and in 1977 President Carter picked a consortium of investors for the job. The word then was that construction would begin in 1981 and the line would be in use in 1985.

A U.S. pipeline inspector's office, created especially to supervise and expedite the Alaska gas line, was opened in July, 1979. The state pipeline inspector's office, opened during construction of the oil pipeline, was kept open and shifted to helping with the gas-line planning.

But things have not moved forward as expected. Although about \$660 million has been spent getting ready to build the pipeline, and its backers insist they will build it, Alaskan Northwest Natural Gas



Transportation Co., the consortium formed by the Northwest Alaskan Pipeline Co. of Salt Lake City, has been unable to put together the financing for the 741-mile segment within Alaska.

First, the expected completion date was pushed back to 1987. In April, the date was pushed back again to 1989. The reasons given were the short-term excess in the world energy supply, depressed crude oil prices, lower levels of economic activity in the United States and abroad, and uncertainties in financial markets.

Now the Alaska pipeline inspector's office here is being dismantled and the staff dispersed. The Fairbanks staff of Northwest Alaskan

(Continued on Page 11, Col. 2)

## Swiss Banks Agree On Tighter Code

## Rules on Identification, Fund Shifts Aim to Curb Abuses of Secrecy Law

Compiled By Our Staff From Dispatches

GENEVA — The Swiss National Bank and the Swiss Bankers Association have agreed on a new tightened code of conduct to fight improper use of the Swiss bank secrecy law, they announced Tuesday.

The new code is designed to renew and strengthen an expiring agreement reached in 1977 that is aimed at combating economic crime and controlling the flight of capital into Switzerland.

It continues to forbid banks actively to assist flight of capital or tax evasion. But for the first time it mentions specifically so-called compensation transactions, whereby capital is moved by bookkeeping adjustments in two different countries, rather than by physical transfer of funds.

The new agreement also applies the rules to Swiss lawyers, notaries and members of fiduciary and auditing associations, the go-between who can invoke professional secrecy in testifying about the true beneficiary of funds without revealing the latter's identity.

A key clause in the new five-year agreement, which is to take effect Oct. 1, requires banks to identify clients more rigorously to make

the "laundering" of crime-connected money more difficult. Ransom paid in kidnappings in Italy and other West European countries have been traced repeatedly to Switzerland.

Identity checks will be required in all cash operations involving more than 500,000 Swiss francs (\$235,000). Up to now, cash clients were allowed to remain anonymous. The National Bank had hoped for a "somewhat lower ceiling," a spokesman said, but feared that it might make transactions "too complicated."

The new code also extends identity controls to all clients opening accounts or making deposits of securities. Under the 1977 agreement, new customers depositing less than 100,000 francs were exempt.

The code does not affect the bank's obligations under the 48-year-old banking secrecy law to guarantee absolute confidentiality, except in criminal investigations.

A moderate change of those rules is under consideration by government specialists, under some political pressure. The Social Democrats have proposed constitutional amendments that, for the first time, would oblige banks to provide internal revenue authorities with tax information on client accounts. The proposal is to be voted on in a nationwide referendum, probably in 1984.

Banks remain pledged not to support attempts "aimed at deceiving fiscal authorities at home or abroad" by incomplete or otherwise misleading information.

The new code leaves at 10 million francs the maximum fine for violations. Fines are imposed by an arbitration committee comprising officials of both parties to the agreement and headed by a federal judge.

A spokesman for the committee said that seven banks have been fined a total of less than 1 million francs in the past five years.

All of these Securities have been sold. This announcement appears as a matter of record only.

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ORION ROYAL BANK	OSTERREICHISCHE LANDESBANK
SALOMON BROTHERS INTERNATIONAL	J. HENRY SCHRODER WAGG & CO.
SMITH BARNEY, HARRIS UPBAM & CO.	SUN BUNG KAI INVESTMENT SERVICES HK
SVENSKA HANDELSBANKEN	VERBAND SCHWEIZERISCHER KANTONALBANKEN
VEREINS-UND WESTBANK	J. VONTOBEL & CO.
WESTDEUTSCHE LANDESBANK GROSZENTRALE	WOOD GUNDY
	TAMACHI INTERNATIONAL (EUROPE)

June 30, 1982

## Euromarket Activity Up 23%, OECD Says

Compiled By Our Staff From Dispatches

PARIS — The rate of borrowing on international capital markets in the first five months of this year was about 23 percent higher than in 1981, the Organization for Economic Cooperation and Development said Tuesday.

The OECD, in its latest survey of financial market trends, said that new borrowing was undertaken at an annual rate of more than \$175 billion in the first five months of 1982 and at an annual rate of \$194 billion in April and May.

The report said the five-month rate was much faster than had been expected and far surpassed the \$143 billion in medium-term Eurocredits and external bond offerings in 1981. The OECD excluded in this figure the huge financings by U.S. corporations for takeover battles last year.

The report said that borrowers have been crowded out of domestic markets by public sector borrowing and have had to raise money on international markets.

The OECD said it saw little likelihood of a change in the pattern for the remainder of the year. For the early part of next year, it said that the direction of U.S. interest rates held the key.

"Although there appears to be an international consensus that these rates are too high, in particular against the background of the slackness of the world economy and the lower inflation rates now prevailing in the United States, considerable uncertainty remains as to whether a significant reduction in U.S. interest rates can be achieved in the coming months, especially in the longer-term markets," the report said.

"Recent experience on external bond markets has indicated that any significant downward movement of interest rates may easily create an upsurge in new borrowing that either was already overhanging... or is switched there from national capital markets," it said.

The OECD said that Eurobonds have been strong this year, while medium-term Eurocredits have remained fairly level.

The report predicted that new borrowing in 1982 would probably total between \$160 billion and \$175 billion. It said most of the increase would continue to come on bond markets. It said the medium-term Eurocredits would probably show a slight increase over the rest of the year.

## CURRENCY RATES

Interbank exchange rates for June 29, including bank service charges.

	\$	£	D.M.	F.F.	S.F.	Y.P.	Y.S.	Y.L.	Y.H.
Amsterdam	2.2725	4.732	16.095	28.8	1.792	17.78	5.31	129.26	31.23
Bombay	27.25	81.35	19.015	4.89	3.397	17.78	5.31	129.26	31.23
London	2.2725	4.732	16.095	28.8	1.792	17.78	5.31	129.26	31.23
Paris	1.7925	4.732	16.095	28.8	1.792	17.78	5.31	129.26	31.23
New York	1.7925	4.732	16.095	28.8	1.792	17.78	5.31	129.26	31.23
Frankfurt	2.2725	4.732	16.095	28.8	1.792	17.78	5.31	129.26	31.23
1 SDR	0.555	0.555	2.3616	0.555	1.000	2.493	0.49143	2.287	1.000
1 SDR	1.000	0.69297	2.4847	1.000	1.000	2.493	0.49143	2.287	1.000

	\$	£	D.M.	F.F.	S.F.	Y.P.	Y.S.	Y.L.	Y.H.
Bombay	27.25	81.35	19.015	4.89	3.397	17.78	5.31	129.26	31.23
London	2.2725	4.732	16.095	28.8	1.792	17.78	5.31	129.26	31.23
Paris	1.7925	4.732	16.095	28.8	1.792	17.78	5.31	129.26	31.23
New York	1.7925	4.732	16.095	28.8	1.792	17.78	5.31	129.26	31.23
Frankfurt	2.2725	4.732	16.095	28.8	1.792	17.78	5.31	129.26	31.23
1 SDR	0.555	0.555	2.3616	0.555	1.000	2.493	0.49143	2.287	1.000
1 SDR	1.000	0.69297	2.4847	1.000	1.000	2.493	0.49143	2.287	1.000

Source: Reuters. 1 SDR = 1 SDR. (a) Commercial franc. (b) Amounts needed to buy one franc. (c) Units of 100. (d) Units of 1,000.



## Tuesday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

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(Continued on Page 12)

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## Fed Decreases to 2 Days the Lag For Banks' Reserve Accounting

seven-day period two weeks later. The proposal adopted Monday would lengthen from one week to two weeks the period in which deposits must be made. The period would end on Monday, and there would be only a two-day lay-off Wednesday, before the associated reserve accounting period ended. Thus, most of the 14 days over which deposits and required reserves are averaged would overlap.

Eliminating the lag, at least in theory, will encourage the banking system to respond more quickly to the week-to-week actions by the Fed through which it seeks to regulate growth of the money supply by subtracting reserves from the system.

Opponents and supporters of Monday's move expect greater volatility in the market for overnight federal funds.

H. Erich Heinemann of Morgan Stanley & Co., a monetarist and a supporter of the Fed decision, said Tuesday: "In the very short-term market, the federal funds market, it will probably increase volatility. But if it is proper-

Eliminating the lag, at least in theory, will encourage the banks

system to respond more quickly to the week-to-week actions by the Fed through which it seeks to regulate growth of the money supply by adding and subtracting reserves from the system.

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H. Erich Heinemann of Morgan Stanley, a monetarist economist and a supporter of the Fed decision, said Tuesday: "In the very short-term market, the federal funds market, it will probably increase volatility. But if it is proper-

comparable rates."

**you have turned**  
**into \$2,086,890**  
**years?**

\$50,000 or more to invest in U.S. common stock. An explanatory memorandum and other information on the Netherlands Anvilles open end fund. The fund is managed by Tweedy, Browne Inc., 67 Wall Street, New York, N.Y. 10005, a registered U.S. investment adviser established in 1954. The fund has achieved average compound annual returns of more than 23% annually for the past 23 years. Which means that if you invest \$50,000 today, it would have grown to \$2,086,890 in 23 years, an initial investment of U.S. \$50,000 would have grown to \$1,000,000 in 19 years—a 19.9% annual rate of return. The fund follows a practice of seeking out U.S. stocks that will add the most value in a merger, acquisition or liquidation. The fund is limited to investors who are not citizens or residents of the U.S. and no sales charge to purchase fund shares. Just call or write: Tweedy, Browne N.V., Herengracht 416, 1017 BZ Amsterdam, The Netherlands (0120-256522 for your free offering packet).

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information on Tweedy, Browne N.V. is

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# Could you have turned \$50,000 into \$2,086,890 in 23 years?

If you have U.S. \$50,000 or more to invest in U.S. common stocks, be sure to send for a free explanatory memorandum and other information on Tweedy, Browne N.V., Netherlands Antilles open end fund. The fund's investments are managed by Tweedy, Browne Inc., 67 Wall Street, New York, New York 10005, a registered U.S. investment adviser established in 1920. The firm and its predecessor have achieved average compounded rates of return of 17.8% annually for the past 23 years. Which means an initial investment of U.S. \$50,000 would have grown to \$2,086,890, net of any fees. In the last five years, an initial investment of U.S. \$50,000 would have grown to \$123,901 net of any fees—a 19.9% annual rate of return.

The fund managers follow a practice of seeking out U.S. stocks selling at less than 50% below estimated value in a merger, acquisition or liquidation of assets. Participation is limited to investors who are not citizens or residents of the U.S.A. There is no sales charge to purchase fund shares. Just mail the coupon to Tweedy, Browne N.V., Herengracht 416, 1017 BZ Amsterdam, Netherlands, or telephone (0120-256522 for your free offering package.

<b>Managing Director</b> Caribbean Management Company Pension, Hedding & Pierson (Curacao) N.V. Curacao, Netherlands Antilles	<b>Custodian</b> Morgan Guaranty Trust Company of New York New York, New York U.S.A.
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(For non-U.S. citizens and  
non-U.S. residents only.)

Tweedy, Browne N.V.  
Herengracht 416  
1017 BZ Amsterdam  
Netherlands  
Telephone: (0120-256522

Please forward information on Tweedy, Browne N.V. to

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_







كلنا من النحل

Chicago Futures June 29

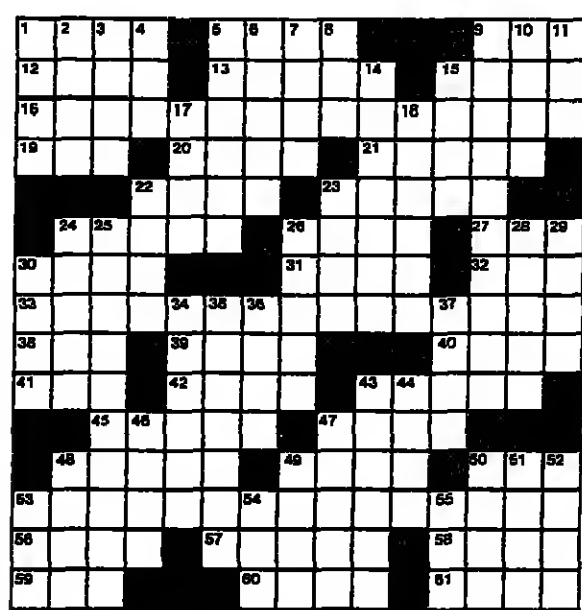
WHEAT	Open	High	Low	Settle	Chg.
July	2.80	2.81	2.79	2.80	+0.01
Aug	2.78	2.79	2.77	2.78	+0.01
Soybeans	4.15	4.16	4.14	4.15	+0.01
Oct	4.12	4.13	4.11	4.12	+0.01
Nov	4.10	4.11	4.09	4.10	+0.01
Dec	4.08	4.09	4.07	4.08	+0.01
Jan	4.06	4.07	4.05	4.06	+0.01
Feb	4.04	4.05	4.03	4.04	+0.01
Mar	4.02	4.03	4.01	4.02	+0.01
Apr	4.00	4.01	3.99	4.00	+0.01
May	3.98	3.99	3.97	3.98	+0.01
June	3.96	3.97	3.95	3.96	+0.01
July	3.94	3.95	3.93	3.94	+0.01
Aug	3.92	3.93	3.91	3.92	+0.01
Sept	3.90	3.91	3.89	3.90	+0.01
Oct	3.88	3.89	3.87	3.88	+0.01
Nov	3.86	3.87	3.85	3.86	+0.01
Dec	3.84	3.85	3.83	3.84	+0.01
Jan	3.82	3.83	3.81	3.82	+0.01
Feb	3.80	3.81	3.79	3.80	+0.01
Mar	3.78	3.79	3.77	3.78	+0.01
Apr	3.76	3.77	3.75	3.76	+0.01
May	3.74	3.75	3.73	3.74	+0.01
June	3.72	3.73	3.71	3.72	+0.01
July	3.70	3.71	3.69	3.70	+0.01
Aug	3.68	3.69	3.67	3.68	+0.01
Sept	3.66	3.67	3.65	3.66	+0.01
Oct	3.64	3.65	3.63	3.64	+0.01
Nov	3.62	3.63	3.61	3.62	+0.01
Dec	3.60	3.61	3.59	3.60	+0.01
Jan	3.58	3.59	3.57	3.58	+0.01
Feb	3.56	3.57	3.55	3.56	+0.01
Mar	3.54	3.55	3.53	3.54	+0.01
Apr	3.52	3.53	3.51	3.52	+0.01
May	3.50	3.51	3.49	3.50	+0.01
June	3.48	3.49	3.47	3.48	+0.01
July	3.46	3.47	3.45	3.46	+0.01
Aug	3.44	3.45	3.43	3.44	+0.01
Sept	3.42	3.43	3.41	3.42	+0.01
Oct	3.40	3.41	3.39	3.40	+0.01
Nov	3.38	3.39	3.37	3.38	+0.01
Dec	3.36	3.37	3.35	3.36	+0.01
Jan	3.34	3.35	3.33	3.34	+0.01
Feb	3.32	3.33	3.31	3.32	+0.01
Mar	3.30	3.31	3.29	3.30	+0.01
Apr	3.28	3.29	3.27	3.28	+0.01
May	3.26	3.27	3.25	3.26	+0.01
June	3.24	3.25	3.23	3.24	+0.01
July	3.22	3.23	3.21	3.22	+0.01
Aug	3.20	3.21	3.19	3.20	+0.01
Sept	3.18	3.19	3.17	3.18	+0.01
Oct	3.16	3.17	3.15	3.16	+0.01
Nov	3.14	3.15	3.13	3.14	+0.01
Dec	3.12	3.13	3.11	3.12	+0.01
Jan	3.10	3.11	3.09	3.10	+0.01
Feb	3.08	3.09	3.07	3.08	+0.01
Mar	3.06	3.07	3.05	3.06	+0.01
Apr	3.04	3.05	3.03	3.04	+0.01
May	3.02	3.03	3.01	3.02	+0.01
June	3.00	3.01	2.99	3.00	+0.01
July	2.98	2.99	2.97	2.98	+0.01
Aug	2.96	2.97	2.95	2.96	+0.01
Sept	2.94	2.95	2.93	2.94	+0.01
Oct	2.92	2.93	2.91	2.92	+0.01
Nov	2.90	2.91	2.89	2.90	+0.01
Dec	2.88	2.89	2.87	2.88	+0.01
Jan	2.86	2.87	2.85	2.86	+0.01
Feb	2.84	2.85	2.83	2.84	+0.01
Mar	2.82	2.83	2.81	2.82	+0.01
Apr	2.80	2.81	2.79	2.80	+0.01
May	2.78	2.79	2.77	2.78	+0.01
June	2.76	2.77	2.75	2.76	+0.01
July	2.74	2.75	2.73	2.74	+0.01
Aug	2.72	2.73	2.71	2.72	+0.01
Sept	2.70	2.71	2.69	2.70	+0.01
Oct	2.68	2.69	2.67	2.68	+0.01
Nov	2.66	2.67	2.65	2.66	+0.01
Dec	2.64	2.65	2.63	2.64	+0.01
Jan	2.62	2.63	2.61	2.62	+0.01
Feb	2.60	2.61	2.59	2.60	+0.01
Mar	2.58	2.59	2.57	2.58	+0.01
Apr	2.56	2.57	2.55	2.56	+0.01
May	2.54	2.55	2.53	2.54	+0.01
June	2.52	2.53	2.51	2.52	+0.01
July	2.50	2.51	2.49	2.50	+0.01
Aug	2.48	2.49	2.47	2.48	+0.01
Sept	2.46	2.47	2.45	2.46	+0.01
Oct	2.44	2.45	2.43	2.44	+0.01
Nov	2.42	2.43	2.41	2.42	+0.01
Dec	2.40	2.41	2.39	2.40	+0.01
Jan	2.38	2.39	2.37	2.38	+0.01
Feb	2.36	2.37	2.35	2.36	+0.01
Mar	2.34	2.35	2.33	2.34	+0.01
Apr	2.32	2.33	2.31	2.32	+0.01
May	2.30	2.31	2.29	2.30	+0.01
June	2.28	2.29	2.27	2.28	+0.01
July	2.26	2.27	2.25	2.26	+0.01
Aug	2.24	2.25	2.23	2.24	+0.01
Sept	2.22	2.23	2.21	2.22	+0.01
Oct	2.20	2.21	2.19	2.20	+0.01
Nov	2.18	2.19	2.17	2.18	+0.01
Dec	2.16	2.17	2.15	2.16	+0.01
Jan	2.14	2.15	2.13	2.14	+0.01
Feb	2.12	2.13	2.11	2.12	+0.01
Mar	2.10	2.11	2.09	2.10	+0.01
Apr	2.08	2.09	2.07	2.08	+0.01
May	2.06	2.07	2.05	2.06	+0.01
June	2.04	2.05	2.03	2.04	+0.01
July	2.02	2.03	2.01	2.02	+0.01
Aug	2.00	2.01	1.99	2.00	+0.01
Sept	1.98	1.99	1.97	1.98	+0.01
Oct	1.96	1.97	1.95	1.96	+0.01
Nov	1.94	1.95	1.93	1.94	+0.01
Dec	1.92	1.93	1.91	1.92	+0.01
Jan	1.90	1.91	1.89	1.90	+0.01
Feb	1.88	1.89	1.87	1.88	+0.01
Mar	1.86	1.87	1.85	1.86	+0.01
Apr	1.84	1.85	1.83	1.84	+0.01
May	1.82	1.83	1.81	1.82	+0.01
June	1.80	1.81	1.79	1.80	+0.01
July	1.78	1.79	1.77	1.78	+0.01
Aug	1.76	1.77	1.75	1.76	+0.01
Sept	1.74	1.75	1.73	1.74	+0.01
Oct	1.72	1.73	1.71	1.72	+0.01
Nov	1.70	1.71	1.69	1.70	+0.01
Dec	1.68	1.69	1.67	1.68	+0.01
Jan	1.66	1.67	1.65	1.66	+0.01
Feb	1.64	1.65	1.63	1.64	+0.01
Mar	1.62	1.63	1.61	1.62	+0.01
Apr	1.60	1.61	1.59	1.60	+0.01
May	1.58	1.59	1.57	1.58	+0.01
June	1.56	1.57	1.55	1.56	+0.01
July	1.54	1.55	1.53	1.54	+0.01
Aug	1.52	1.53	1.51	1.52	+0.01
Sept	1.50	1.51	1.49	1.50	+0.01
Oct	1.48	1.49	1.47	1.48	+0.01
Nov	1.46	1.47	1.45	1.46	+0.01
Dec	1.44	1.45	1.43	1.44	+0.01
Jan	1.42	1.43	1.41	1.42	+0.01
Feb	1.40	1.41	1.39	1.40	+0.01
Mar	1.38	1.39	1.37	1.38	+0.01
Apr	1.36	1.37	1.35	1.36	+0.01
May	1.34	1.35	1.33	1.34	+0.01
June	1.32	1.33	1.31	1.32	+0.01
July	1.30	1.31	1.29	1.30	+0.01
Aug	1.28	1.29	1.27	1.28	+0.01
Sept	1.26	1.27	1.25	1.26	+0.01
Oct	1.24	1.25	1.23	1.24	+0.01
Nov	1.22	1.23	1.21	1.22	+0.01
Dec	1.20	1.21	1.19	1.20	+0.01
Jan	1.18	1.19	1.17	1.18	+0.01
Feb	1.16	1.17	1.15	1.16	+0.01
Mar	1.14	1.15	1.13	1.14	+0.01
Apr	1.12	1.13	1.11	1.12	+0.01
May	1.10	1.11	1.09	1.10	+0.01
June	1.08	1.09	1.07	1.08	+0.01
July	1.06	1.07	1.05	1.06	+0.01
Aug	1.04	1.05	1.03	1.04	+0.01
Sept	1.02	1.03	1.01	1.02	+0.01
Oct	1.00	1.01	0.99	1.00	+0.01
Nov	0.98	0.99	0.97	0.98	+0.01
Dec	0.96	0.97	0.95	0.96	+0.01
Jan	0.94	0.95	0.93	0.94	+0.01
Feb	0.92	0.93	0.91	0.92	+0.01
Mar	0.90	0.91	0.89	0.90	+0.01
Apr	0.88	0.89	0.87	0.88	+0.01
May	0.86	0.87	0.85	0.86	+0.01
June	0.84	0.85	0.83	0.84	+0.01
July	0.82	0.83	0.81	0.82	+0.01
Aug	0.80	0.81	0.79	0.80	+0.01
Sept	0.78	0.79	0.77	0.78	+0.01
Oct	0.76	0.77	0.75	0.76	+0.01
Nov	0.74	0.75	0.73	0.74	+0.01
Dec	0.72	0.73	0.71	0.72	+0.01
Jan	0.70	0.71	0.69	0.70	+0.01
Feb	0.68	0.69	0.67	0.68	+0.01
Mar	0.66	0.67	0.65	0.66	+0.01
Apr	0.64	0.65	0.63	0.64	+0.01
May	0.62	0.63	0.61	0.62	+0.01
June	0.60	0.61	0.59	0.60	+0.01
July	0.58	0.59	0.57	0.58	+0.01
Aug	0.56	0.57	0.55	0.56	+0.01
Sept	0.54	0.55	0.53	0.54	+0.01
Oct	0.52	0.53	0.51	0.52	+0.01
Nov	0.50	0.51	0.49	0.50	+0.01
Dec	0.48	0.49	0.47	0.48	+0.01
Jan	0.46	0.47	0.45	0.46	+0.01
Feb	0.44	0.45	0.43	0.44	+0.01
Mar	0.42	0.43	0.41	0.42	+0.01
Apr	0.40	0.41	0.39	0.40	+0.01
May	0.38	0.39	0.37	0.38	+0.01
June	0.36	0.37	0.35	0.36	+0.01
July	0.34	0.35	0.33	0.34	+0.01
Aug	0.32	0.33	0.31	0.32	+0.01
Sept	0.30	0.31	0.29	0.30	+0.01
Oct	0.28	0.29	0.27	0.28	+0.01
Nov	0.26	0.27	0.25	0.26	+0.01
Dec	0.24	0.25	0.23	0.24	+0.01
Jan	0.22	0.23	0.21	0.22	+0.01
Feb	0.20	0.21	0.19	0.20	+0.01
Mar	0.18	0.19	0.17	0.18	+0.01
Apr	0.16	0.17	0.15	0.16	+0.01
May	0.14	0.15	0.13	0.14	+0.01
June	0.12	0.13	0.11	0.12	+0.01
July	0.10	0.11	0.09	0.10	+0.01
Aug	0.08	0.09	0.07	0.08	+0.01
Sept	0.06	0.07	0.05	0.06	+0.01
Oct	0.04	0.05	0.03	0.04	+0.01
Nov	0.02	0.03	0.01	0.02	+0.01
Dec	0.00	0.01	0.00	0.00	+0.01

U.S. COMMODITY PRICES

OPEN HIGH LOW SETTLE CHG.					OPEN HIGH LOW				
SUGAR-WORLD 11					SUGAR-WORLD 11				
cents per lb.					cents per lb.				
July	24.75	25.00	24.67	25.45	+33	110	7.15	7.22	7.15
Aug	23.75	24.00	23.40	23.40	-35	100	7.00	7.07	7.01
Sept	23.25	24.12	23.10	23.25	-15	Sept	7.00	7.07	7.01
Oct	23.25	23.74	23.00	23.00	-74	Oct	7.00	7.07	7.01
Nov	21.80	22.75	21.80	23.35	+55	Nov	6.40	6.40	6.40
Dec	23.25	23.50	22.10	23.40	+10	Dec	6.50	6.50	6.50
Jan				22.00	-20	Jan	6.50	6.50	6.50
Feb				22.00	-20	Feb	6.00	6.00	6.00
Mar						Mar	6.00	6.00	6.00



## CROSSWORD



## ACROSS

- 1 "The Front" play  
5 Fissure  
9 Sec. addition to a signed letter  
12 Date-setting phrase  
13 Laconian thrall  
15 Plant native to S. Africa  
16 Newspaper feature  
19 Like McCullers's cafe  
20 Eleven against the Cantabris  
21 Day (environmentalist's event)  
22 Own policy  
24 Away  
26 Stained by decay, as trees  
27 Utmost  
28 U.S. newspaper publisher: 1858-1935  
31 M  
32 Chili  
33 Newspaper feature  
38 Connection  
39 "Mia," 1954 song

## DOWN

- 40 Grown-up grubs  
41 Newspaper  
42 Corp. bigwig  
43 London house, for short  
45 N. African capital  
47 Banking game  
48 Keepsake  
49 Intimate  
50 Disseminate  
53 Newspaper feature  
56 Ans. to a roll call  
57 "No," 1958  
58 Kind of pickle  
59 Blockhead  
60 A name for a newspaper  
61 Page of comment and opinion  
1 Handles rudely  
2 "of troubles"; Hamlet  
3 Spur  
4 Newt  
5 Put off  
6 Like a haunted house  
7 Landon et al.  
8 Low  
9 Adopted the idea of  
10 Luxurious

## WEATHER

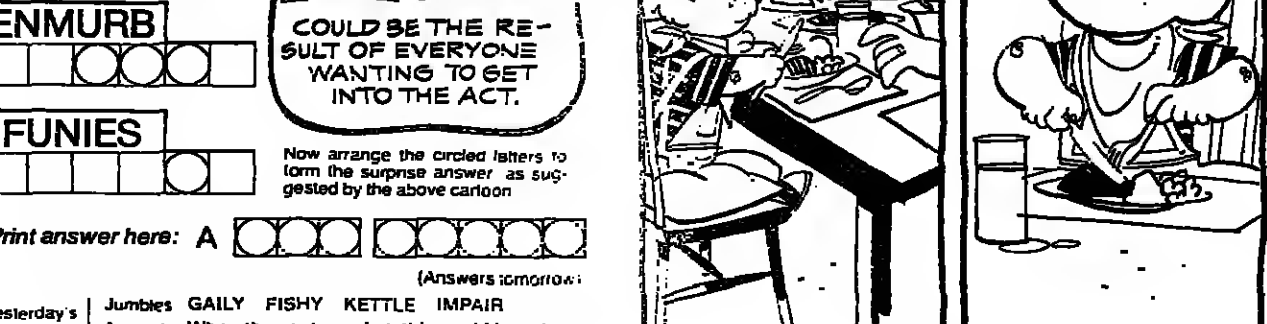
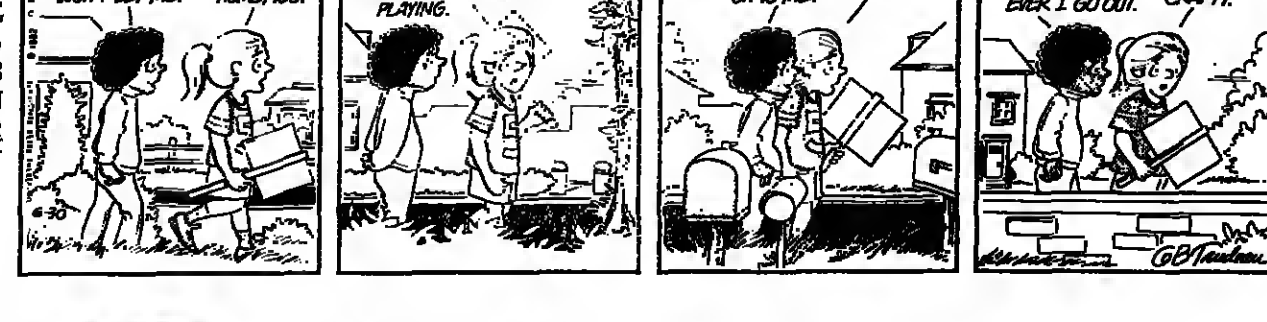
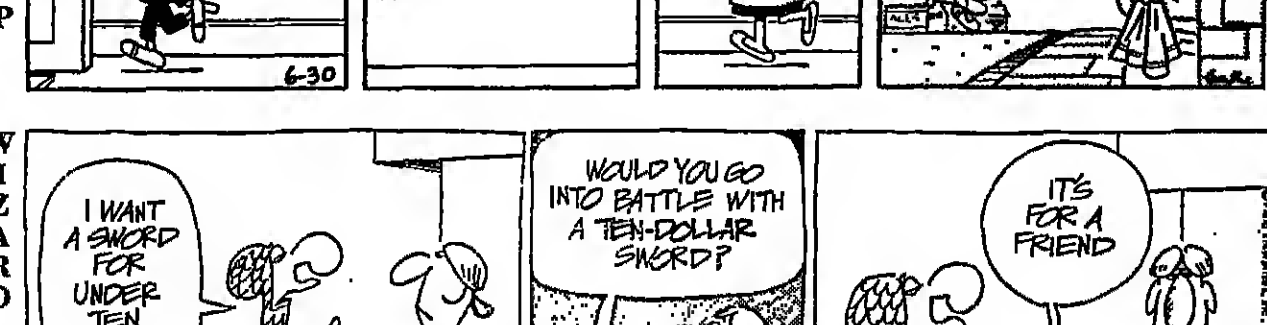
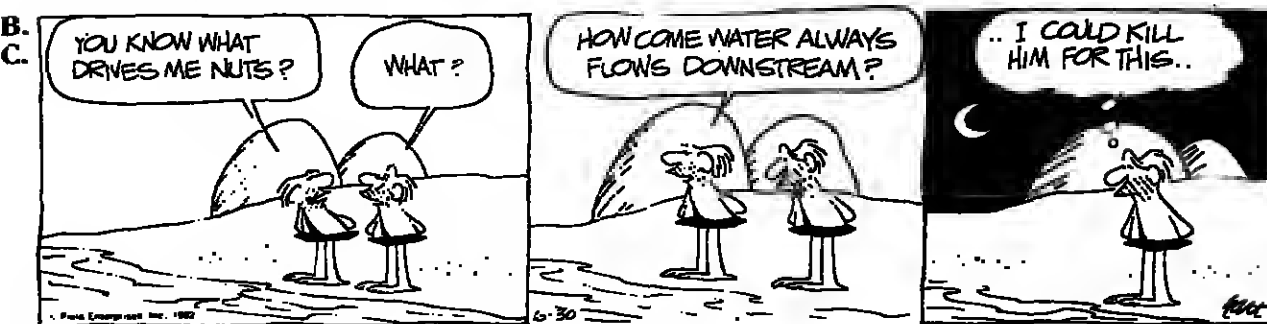
	HIGH	LOW		HIGH	LOW
ALBUQUERQUE	77	57	LOS ANGELES	72	54
ALBANY	71	55	MASSACHUSETTS	71	54
ALBUQUERQUE	77	57	MILWAUKEE	71	54
ALBUQUERQUE	77	57	MILWAUKEE	71	54
ALBUQUERQUE	77	57	MILWAUKEE	71	54
ALBUQUERQUE	77	57	MILWAUKEE	71	54
ALBUQUERQUE	77	57	MILWAUKEE	71	54
ALBUQUERQUE	77	57	MILWAUKEE	71	54
ALBUQUERQUE	77	57	MILWAUKEE	71	54
ALBUQUERQUE	77	57	MILWAUKEE	71	54

## ADVERTISEMENT

## INTERNATIONAL FUNDS

June 29, 1982

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose values are based on the last available quotation. Values are in U.S. dollars. (a) = monthly; (b) = quarterly; (c) = semi-annually; (d) = annually; (e) = irregularly.	
<b>BANK OF AMERICA FUNDS</b>	<b>UNITED BANK OF SWITZERLAND</b>
(a) Bank of America Fund	(a) Bank of America Fund
(b) Bank of America Fund	(b) Bank of America Fund
(c) Bank of America Fund	(c) Bank of America Fund
(d) Bank of America Fund	(d) Bank of America Fund
(e) Bank of America Fund	(e) Bank of America Fund
(f) Bank of America Fund	(f) Bank of America Fund
(g) Bank of America Fund	(g) Bank of America Fund
(h) Bank of America Fund	(h) Bank of America Fund
(i) Bank of America Fund	(i) Bank of America Fund
(j) Bank of America Fund	(j) Bank of America Fund
(k) Bank of America Fund	(k) Bank of America Fund
(l) Bank of America Fund	(l) Bank of America Fund
(m) Bank of America Fund	(m) Bank of America Fund
(n) Bank of America Fund	(n) Bank of America Fund
(o) Bank of America Fund	(o) Bank of America Fund
(p) Bank of America Fund	(p) Bank of America Fund
(q) Bank of America Fund	(q) Bank of America Fund
(r) Bank of America Fund	(r) Bank of America Fund
(s) Bank of America Fund	(s) Bank of America Fund
(t) Bank of America Fund	(t) Bank of America Fund
(u) Bank of America Fund	(u) Bank of America Fund
(v) Bank of America Fund	(v) Bank of America Fund
(w) Bank of America Fund	(w) Bank of America Fund
(x) Bank of America Fund	(x) Bank of America Fund
(y) Bank of America Fund	(y) Bank of America Fund
(z) Bank of America Fund	(z) Bank of America Fund



## BOOKS

## FORSAKING ALL OTHERS

By Jimmy Breslin. 431 pp. \$16.95.  
Simon & Schuster, 1230 Avenue of the Americas, New York, N.Y. 10020

Reviewed by Michiko Kakutani

JIMMY BRESLIN'S latest novel, "Forsaking All Others," is really two stories, braided together in a fast-paced, almost cinematic narrative. The first, about the rise and fall of Teen-Ager, one of the meanest, richest drug dealers in the South Bronx, makes the most of Breslin's street-smart knowledge of the city and his swaggering, tough-guy way with language. It is expertly, knowingly told. The second story, which takes the old Romeo-and-Juliet formula one step beyond "West Side Story," fails to elicit our concern. Its curious mixture of cynicism and sentimentality undermines itself, for we are hardly able to like its two protagonists, Nicki and Maximo, much less care about their fates.

The daughter of a Mafia don who controls the Bronx drug trade from his home in suburban New Jersey, Nicki is the pretty young wife of another Mafia functionary, currently serving time in jail. Although we initially sympathize with her plight, her entrapment in a family that expected her only to marry, be loyal and bear lots of children — her willful prejudice and selfish materialism soon divest her of any charm. When she is not cooking lasagna and chicken scarpariello for the men in her family, she is buying herself designer clothes at Saks, and she seems to value her husband more for the diamonds and cars he buys her.

Maximo, her Puerto Rican lover, is a more admirable sort, but, in the end, just as unconvincing. Having graduated in the top tenth of his class from Harvard Law School, he returns to the Bronx, where he grew up and now divides his time between downtown bar review classes and uptown bar-hopping with such drug-dealer friends as Teen-Ager. Apparently watching his buddies sell heroin, murder rival pushers and cheat on their mistresses and wives hasn't tarnished Maximo's Ivy League idealism. He applies for work at the Bronx Legal Aid Society, the New York State Substance Abuse Center and the New York City Department of Buildings.

While we are asked, even by the meandering title of the novel, to think of the affair between Maximo and Nicki in high romantic terms, their passion seems rooted in little except sex — more specifically, in sex based on the allure of the forbidden. Maximo, Breslin writes, "had something that excited him and attracted all his sexual energy, a white girl, and better than just any white girl, the most distant of all white girls, an Italian girl." And while Nicki was certain "in the darkness of bed, that he was the finest thing the jungle ever had produced," her attraction for Maximo never seems to transcend her prejudice. She asks him, "Can someone like you, even if you have thin lips, have a nigger baby?" and later declares, "You're a Spic" and you'll always be a Spic."

This is true love? To complicate matters, Maximo's childhood friend, Teen-Ager, just happens to be engaged in a bloody war for control of drug traffic in the South Bronx with Nicki's father. It is in telling this story, which is also the story of the Bronx and its shifting ethnic profile, that Breslin hits his stride. Dropping in the same sort of sociological sketches that he used in his first novel, "The Gang That Couldn't Shoot Straight," he shows how an immigrant proving-ground became the

turf of arsonists and junkies, and how the American dream of success and financial independence was adopted, and perverted, by certain members of the underclass desperate to make a living.

In doing this, he manages to create a convincing world, delineating in quick strokes of naturalism what life is like amid the burned-out lots and after-hours joints of the South Bronx. We learn that a small apartment in this ravaged neighborhood goes for \$212.50 a month; that Puerto Rican dealers like Teen-Ager favor Mercedes Benzes, while their Italian counterparts opt for Lincoln Continentals or Cadillacs; that the Dobermans trained to stand guard over drug shipments have had their voice boxes removed so that they can attack silently and without warning.

There are also sharply drawn cameos of minor characters who, like the subjects of Breslin's columns, invest the cold statistics of the war on crime with a measure of humanity: Myles, a cop struggling to support his family on a policeman's wages, hopes that a big drug bust will boost him to the rank of detective; Turin, a nightclub owner, unwittingly unleashes a gang war when he takes to his mystic on his mistress and 14-year-old Francis comes to New York from Puerto Rico in hopes of attending a better high school and ends up delivering heroin to customers. Although they never sufficiently distract us from the irritating story of Maximo and Nicki, such subsidiary characters, combined with Breslin's roving eye for detail, create a composite portrait of how New York works, or doesn't work, from the point of view of those who are disenfranchised.

Michiko Kakutani is on the staff of The New York Times

## Best Sellers

The New York Times  
This list is based on reports from more than 1,400 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION	
Rank	Title
1	THE PARSIFAL MOSAIC, by Robert Ludlum
2	THE MAN FROM ST. PETERSBURG, by Len Gougeon
3	THE PRODIGAL DAUGHTER, by Jeffrey Archer
4	THE OGDEN THIEF, by Stephen Donaldson
5	EDEN BURNING, by John Edgar Wideman
6	NORTH AND SOUTH, by John Galsworthy
7	FOR SPECIAL SERVICES, by John Gardner
8	THE EBBERTY, by Thomas Thompson
9	DINNER AT THE HOMECOMING RESTAURANT, by Anne Tyler
10	THE BROTHS OF THE WIFE, by Andrew Greeley
11	THE SHY, by Dick Francis
12	FRIDAY, by Robert A. Heinlein
13	THE PRIVATE LIFE OF A PUBLIC MAN, by James Earl Ray
14	THE SHY, by Dick Francis
15	A MOTHER AND TWO DAUGHTERS, by Gail Godwin
NONFICTION	
1	JANE FONDA'S WORKOUT, by Jane Fonda
2	LIVING, LOVING AND LEARNING TO LIVE, by Les Brown
3	NO BAD DOGS: The Woodhouse Way, by Barbara Woodhouse
4	KIDNAPING AND NEVER- SAY-IDIOT COOKBOOK, by Richard Simmons
5	THE FATE OF THE EARTH, by Jonathan Schell
6	A LIGHT IN THE ATTIC, by Shel Silverstein
7	AMERICA IN SEARCH OF ITSELF, by Theodore H. White
8	TO GOOD PEOPLE, by Harold S. Kushner
9	A FEW MINUTES WITH ANDY ROCK, by Andy Rock
10	WEIGHT WATCHERS 365-DAY MENU COOKBOOK, New American
11	THE UMBRELLA STRIKES BACK, by Ron Luciano
12	LATE DINNER, by Roger Anderson
13	HOLY BLOOD, HOLY GRAIL, by Henry Lincoln
14	THE LOVE OF LEBANON, by Henry Kissinger
15	THE LOVE OF LEBANON, by Henry Kissinger

## Solution to Previous Puzzle

ANGLA	LOUIS	TAIL
ROSA	ASH	JOSE
CHRISTOPHER	WREN	
ENSLAVES	ONSET	
RIIS	ACNE	
ANGOLA	CLAD	LTO
HEBA	GEESSE	ERA
MEADOWLAND	HELM	ERA
ADD	COAST	QUIT
OVER	ELITE	BOURSE
PIANO	LIFELINE	
HOBING	GOODFELLOW	
EWES	ANIEL	ELSE
PATIE	SINCE	DEER

## BRIDGE

By Alan Truscott

THE diagrammed deal was highly unusual in one respect. When it was over, the players could not agree how it should have been played. A series of experts, confronted with the problem, offered a series of different solutions, and even still cannot agree which one of them is right. The reader may care to cover the East-West hands and see how many plausible plans he can form, playing six hearts after the opening lead of the diamond deuce.

North and South were using a sophisticated relay system. North made a series of artificial inquiries and South described his hand according to a predetermined plan. When the bidding was over, North was able to describe the South hand accurately: a minimum opening, 1-7-1-4 distribution, the ace-queen of hearts, the club ace, and nothing else higher than a jack.

This accuracy was helpful to the defense, but it will often work the other way round: The hand described may turn out to be the dummy, in which case the closed hand is unknown and the defense is handicapped. This would have worked if West had begun with four spades, but as it was, the result was down one.

In the post-mortem, North suggested an improvement that would have worked as the cards lie. At the fourth trick, finesse the heart ten and, if it wins, play spades. If the finesse loses, the contract will still succeed — if the major suits both break even.

Other experts had completely different ideas. One wanted to duck a club after the king appeared, aiming for a club ruff. Another wanted to take the diamond ace and duck a club immediately, preparing for a ruff with various squeeze chances in reserve. Yet another wanted to finesse the diamond queen, for if this failed it would still have been possible to work on spades. And the final plan was to take the diamond ace, ruff a diamond and finesse the spade queen.

Exactly which of these plans is best would take hours of mathematical effort to determine, with some psychological factors complicating the issue. The only certainty is that South's line was not the best, either theoretically or practically. If he had made the slam, his team would have placed second and been within a hairbreadth of tying for the top honors.

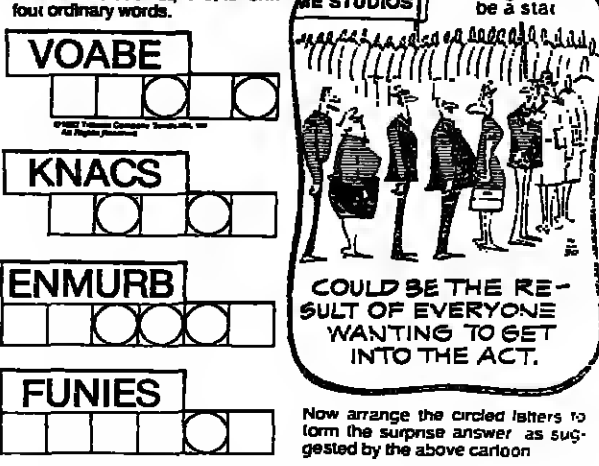
NORTH			
♠	AQJ105		
♥	K10		
♦	AQ106		
♣	98		
WEST			
♠	883		
♥	752		
♦	K972		
♣	743		
SOUTH (D)			
♠	AQ98763		
♥	5		
♦	A862		
♣			
East and West were vulnerable. The bidding:			
South	West	North	East
1♠	Pass	2♠	Pass
2♠	Pass	2NT	Pass
3♠	Pass	3♠	Pass
3♥	Pass	3♠	Pass
4♠	Pass	4NT	Pass
5♠	Pass	4NT	Pass
Pass	Pass	6♥	Pass

West led the diamond two.

## JUMBLE. THAT SCRAMBLED WORD GAME

by Henry Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



Print answer here: A

(Answers ignored)

Yesterday's Jumbles GAILY FISHY KETTLE IMPAIR  
Answer When they got married, this could have been their "life's aim." — "FAMILIES"

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris

## DENNIS THE MENACE

by Dennis the Menace

I'm gonna be a star



COULD BE THE RESULT OF EVERYONE WANTING TO GET INTO THE ACT.

Now arrange the circled letters to form the surprise answer as suggested by the above cartoon

Print answer here: A

(Answers ignored)

Yesterday's Jumbles GAILY FISHY KETTLE IMPAIR  
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Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris

Jelly, is it?







## *Bedtime for Midas*

**THE LOWEST, UNRESTRICTED**



...the ...

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[illegible]

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[illegible]

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